



# भारत का राजपत्र

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके  
(Separate paging is given to this Part in order that it may be filed as a separate compilation)

### भाग III—खण्ड 4

### PART III—SECTION 4

विधिक निकायों द्वारा जारी की गई विविध अधिसूचनाएं जिसमें अधिसूचनाएं, आदेश, विज्ञापन और सूचनाएं सम्मिलित हैं  
Miscellaneous Notifications including Notifications, Orders, Advertisements and Notices  
issued by Statutory Bodies

रिजर्व बैंक ऑफ इंडिया

केन्द्रीय कार्यालय

बैंक परिचालन और विकास विभाग

बम्बई-1, 5 दिसम्बर, 1972

संदर्भ डीबीओडी सं० 120/री. 404-72—बैंकिंग विनियम  
अधिनियम 1949 की धारा 36 क की उप धारा (2) के  
अनुसरण में रिजर्व बैंक ऑफ इंडिया इसके जरिये यह अधिसूचित  
करता है कि श्री बैंकट्रेडर बैंक लिमिटेड, शेवापेट, सेलम-2, उक्त  
अधिनियम की परिभाषा के अन्तर्गत बैंकिंग कम्पनी नहीं रहा है।  
(एम० एल० गोगटे)

मुख्य अधिकारी

स्टेट बैंक आफ ट्रेवनकोर

(स्टेट बैंक आफ इण्डिया की सहायक बैंक)

भारत में विशेष अधिनियम के द्वारा समामिलित सदस्यों का दायित्व  
सीमित है

प्रधान कार्यालय

त्रिवेन्द्रम 5 दिसम्बर 1972

सूचना

इसके द्वारा सूचना दी जाती है कि स्टेट बैंक आफ  
ट्रेवनकोर के शेयरधारकों के रजिस्टर शेयर-अन्तरण के लिए  
शनिवार दिनांक 27 जनवरी 1973 से शनिवार दिनांक 10  
फरवरी 1973 (दोनों दिन सम्मिलित) तक बन्द रहेंगे।

एस० नियोगी

जनरल मैनेजर

भारतीय चार्टर प्राप्त लेखाकार संस्थान

नई दिल्ली-1, दिनांक 21 नवम्बर 1972

सं० 5 सी ए (1)/20/1972-73—इस संस्थान की  
अधिसूचना सं० 4 सी ए (1)/17/71-72—18-12-71, 4 सी ए  
(1)/18/70-71—4-1-71, 4 सी ए (1)/10/69-70—3-9-67  
के संदर्भ में चार्टर प्राप्त लेखाकार विनियम 1964 के विनियम  
18 के अनुसरण में एतत् द्वारा यह सूचित किया जाता है कि

1-379GI/72

(1827)

उक्त विनियमों के विनियम 17 द्वारा प्रदत्त अधिकारों का प्रयोग  
करते हुए भारतीय चार्टर प्राप्त लेखाकार संस्थान परिषद्  
ने अपने सदस्यता रजिस्ट्रों में श्री।

क्र० सं०	नाम व पता	सदस्य नं०	सदस्यता की तिथि
(1)	(2)	(3)	(4)
1.	श्री डी० एन० भार्गव, ए० सी० ए०, सचिव, राठी अलायज एण्ड स्टील लि०, 28, साधना एनकलेव, नई दिल्ली-17	10005	7-10-72
2.	श्री आर० वेनकाटासुब्रामनियन, ए० सी० ए०, नारायणन एण्ड कं०, 14-ए०, पनडारम स्ट्रीट, पारासावालकम, मद्रास-7	10137	11-10-72
3.	श्री मत्येन्द्र महामुखराय बोहरा, ए० सी० ए०, नेशनल इन्सुरेंस बिल्डिंग, 204, डा० डी० एन० रोड, फोर्ट, बम्बई-1।	2104	2-11-72

सी० बालाकृष्णनन्, सचिव

भारतीय औद्योगिक वित्त निगम

नई दिल्ली, दिनांक 29 नवम्बर 1972

शुद्धि-पत्र

भारत के राजपत्र, भाग III, खण्ड 4

दिनांक 18 नवम्बर, 1972 का शुद्धि-पत्र

पृष्ठ 1794—विनियम 8 की पृथम पंक्ति में आई संख्या  
“2-1/3 प्रतिशत” को “8-1/3 प्रतिशत” पढ़ा जाए।

इसी पृष्ठ पर विनियम 14-ग के खण्ड (क) की प्रथम  
पंक्ति में आए शब्द “विनियम II अथवा II-क” को “विनियम  
11 अथवा 11-क” पढ़ा जाए।

डी० जी० रमैया,

कृते महाप्रबन्धक

**भारतीय जीवन बीमा निगम****भारतीय जीवन बीमा निगम (कर्मचारी-वर्ग) के विनियम, 1960 में संशोधन**

जीवन बीमा निगम अधिनियम, 1956 की धारा 49 की उपधारा 2 के खण्डों (b) और (bb) के अन्तर्गत निहित अधिकारों का प्रयोग करते हुए और केन्द्रीय सरकार के पूर्व अनुमोदन के साथ भारतीय जीवन बीमा निगम (कर्मचारी-वर्ग) के विनियम 1960 में, भारतीय जीवन बीमा निगम निम्नलिखित संशोधन करता है।

अनुसूची I (विनियम 6, 39 और 40 देखिए) नियुक्ति, अनुशासन और अपीलीय प्राधिकारी

(क) के अन्तर्गत "क्लास I में अन्य पदों" तथा (ग) के अन्तर्गत "क्लास III और IV" से संबंधित वर्तमान प्रविष्टियां निम्नप्रकार संशोधित की जाएंगी

कर्मचारियों का वर्ग	नियुक्ति प्राधिकारी	अनुशासन प्राधिकारी	अपीलीय प्राधिकारी (सभी प्रकार के दण्ड के लिए)
(क) क्लास I के अन्य पदों के लिए	ZM/D(P)/CIA	ZM/D(P)/CIA	MD
(ग) अधीक्षकों के लिए	ZM/D(P)/CIA	ZM/D(P)/CIA	MD
अन्य कर्मचारियों के लिए	DM	DM	ZM/D(P)/CIA

वर्तमान टिप्पणी (2) के स्थान पर निम्नांकित रहेगा :—

इस अनुसूची में CIA का अर्थ है मुख्य आंतरिक लेखा परीक्षक; ZM का अर्थ है क्षेत्रीय प्रबन्धक जिनके अधीन क्षेत्र हों; D(P) यानी कार्यकारी निदेशक (कार्मिक) और MD का अर्थ है प्रबन्ध निदेशक। जहां DM प्राधिकारी है वहां (क) विभाग में उसका अर्थ है विभाग का वह प्रभारी अधिकारी जो विभागीय प्रबन्धक के पद से निम्नतर श्रेणी का न हो; और (ख) क्षेत्रीय तथा केन्द्रीय कार्यालय में उसका अभिप्राय है वह अधिकारी जो विभागीय प्रबन्धक से निम्नतर श्रेणी का न हो और जो ZM और D(P) द्वारा प्राधिकृत हो; (ग) केन्द्रीय कार्यालय को छोड़कर अन्य स्थानों के आंतरिक लेखा संगठन से संबंधित मामले में आंतरिक लेखा परीक्षक, और (घ) केन्द्रीय कार्यालय के आंतरिक लेखा संगठन से संबंधित मामले में, वह अधिकारी जो विभागीय प्रबन्धक के पद से निम्नतर श्रेणी का न हो और जो CIA द्वारा प्राधिकृत हो।

**अनुसूची II वेतन-मान :**

"A वेतन-मान" शीर्षक के अन्तर्गत संख्या 2 की मव

"I क्लास I अधिकारी" निम्नप्रकार संशोधित की जाएगी।

(2) कार्यकारी निदेशक और केन्द्रीय कार्यालय के विभाग प्रमुख/क्षेत्रीय प्रबन्धक/मुख्य लेखा परीक्षक :

(क) सामान्य मान	रु० 2000-125-2500
(ख) वरण मान	रु० 2500-125-3000

टिप्पणी:—सामान्यतः मुख्य लेखा परीक्षक और केन्द्रीय कार्यालय के विभाग-प्रमुख क्षेत्रीय प्रबन्धक के संवर्ग से चुने जाएंगे, जहां इन पदों की पूर्ति के लिए कोई योग्य अधिकारी न मिलता हो वहां वे उप क्षेत्रीय प्रबन्धक/प्रवर विभागीय प्रबन्धक/केन्द्रीय कार्यालय के सचिव के संवर्ग से चुने जाएंगे।

अनुसूची IV सक्षम प्राधिकारी : इन मदों की प्रविष्टियां, नीचे बताये अनुसार, संशोधित की जाएंगी :

पंजीकृत संख्या	अधिकार का स्वरूप	प्राधिकारी	अधिकार की सीमा
17	ऊंचे पद के रिक्त स्थान में स्थानापन्न होने के लिए किसी कर्मचारी को नियुक्त करना।	नियुक्ति प्राधिकारी	पूर्ण
		अध्यक्ष-जिन पदों का नियुक्ति प्राधिकारी निगम या कार्यकारी समिति हो	पूर्ण
		ZM/D(P)/CIA जिन पदों के नियुक्ति प्राधिकारी अध्यक्ष या MD हों	यदि स्थानापन्न व्यवस्था अवधि तीन माह से अधिक न हो।
19	निवृत्ति की तारीख से पहले की छुट्टी नामंजूर करना।	ZM/D(P)/CIA	BM/AO संवर्ग के तथा उससे निम्नतर क्लास I के अधिकारियों और क्लास II, III और IV

पंजीकृत संख्या	अधिकारी का स्वरूप	प्राधिकारी	अधिकार की सीमा
		अध्यक्ष	से संबंधित कर्मचारियों के लिए क्लास I के अन्य अधिकारियों के लिए।
		D (P) पूर्ण रूपेण अध्यक्ष द्वारा प्राधिकृत हो।	ZM से निम्नतर अधिकारियों के लिए।
29	कर्मचारियों को अंशकालिक काम करने तथा निगम को जो रकम देनी है वह निश्चित करना।	DM विभाग का प्रभारी अधिकारी/IA D(P)/CIA	ADM संवर्ग या उनके निम्नतर संवर्गों के कर्मचारियों के लिए। केन्द्रीय कार्यालय के कर्मचारियों के लिए। आंतरिक लेखा संगठन में DZM तथा उक्त श्रेणी तक के लिए।
61, 65	विशेषाधिकार छुट्टी, बीमारी की छुट्टी, प्रसूति छुट्टी,	4थी और 5वीं प्रविष्टियां निम्न	
66	संगरोध छुट्टी, असाधारण छुट्टी और छुट्टियों का	प्रकार संशोधित की जाएंगी।	
68	रूपान्तरण।		
		प्रभारी अधिकारी जो DM/IA की श्रेणी से निम्नतर न हो या ZM/D(P) से पूर्ण रूपेण प्राधिकृत अधिकारी जो DM/IA की श्रेणी से निम्नतर न हो।	ADM/Sr. BM संवर्गों के क्लास I अधिकारियों के लिए।
		ZM/D(P)/CIA	ZM की श्रेणी से निम्नतर क्लास I अधिकारियों के लिए।
	विशेष परिस्थितियों के अन्तर्गत असाधारण छुट्टी।	ZM/D(P)/CIA	क्लास II, III और IV के कर्मचारियों तथा ADM/Sr. BM संवर्ग तथा समान संवर्गों और अन्य निम्नतर क्लास I अधिकारियों के लिए।
64	कंकट, कोढ़, क्षय, पोलियो और मानसिक रोग आदि पांच प्रमुख रोगों से पीड़ित कर्मचारियों को विशेष बीमारी की छुट्टी मंजूर करना।	प्रभारी अधिकारी जो DM/IA के पद से निम्नतर श्रेणी के न हों या ZM/D(P) द्वारा पूर्ण रूपेण प्राधिकृत अधिकारी जो DM/IA की श्रेणी से निम्नतर न हों।	क्लास III और IV के कर्मचारियों के लिए।
69(4)	वैतनवृद्धि के लिए असाधारण छुट्टी अवधि गिनने की अनुमति देना।	ZM/CIA	जब असाधारण छुट्टी बीमारी के कारण ली हो और डाक्टर प्रमाणपत्र से पुष्टि की गई हो उस अवस्था में क्लास II, III और IV के कर्मचारियों तथा क्षेत्र में आंतरिक लेखा संगठन में AAO/ABM संवर्ग के क्लास I के अधिकारियों तथा समान I संवर्ग के लिए।
73	पहुंचने के काल में कटौती और जहां पहुंचने के काल में कटौती की गई हो वहां उतनी अवधि के लिए विशेष छुट्टी प्रदान करना।	ZM/D(P)/CIA	क्लास I के अधिकारियों के लिए।

## अनुसूची V—यात्रा और वैयक्तिक भत्ते (विनियम 79 देखिए)

(क) धारा 1 उप धारा (2) के उपबन्ध निम्नप्रकार संशोधित किये जाएंगे :

“शर्त यह है कि यदि आवश्यकता हो तो प्रबन्ध-निदेशक, कार्यकारी निदेशक, क्षेत्रीय प्रबन्धक, या मुख्य लेखा परीक्षक किसी भी कर्मचारी को हवाई-यात्रा करने की अनुमति दे सकेंगे।

(ख) धारा 1 की उप-धारा (5) को निम्नप्रकार संशोधित किया जाएगा :

“वैसी परिस्थिति में आवश्यकता पड़ने पर प्रबन्ध-निदेशक, कार्यकारी निदेशक, क्षेत्रीय प्रबन्धक या मुख्य लेखा परीक्षक किसी भी कर्मचारी को जिस क्लास में यात्रा करने का अधिकार है उसमें ऊपर वाले क्लास में यात्रा करने की अनुमति दे सकेंगे। ऐसी प्रत्येक दशा में, अनुमति का कारण लिखित रूप में दर्ज करना होगा।

(ग) धारा 4—कर्मचारी के पास पहुंचने के हेतु परिवार के लिए काल-सीमा इस धारा का उपान्त वाक्य निम्न प्रकार से संशोधित किया जाएगा, “क्षेत्रीय प्रबंधक या निदेशक (कार्मिक) या मुख्य लेखा परीक्षक काल-सीमा को 9 महीने तक बढ़ा सकते हैं।”

र० म० मेहता, प्रबंध-निदेशक

## कर्मचारी राज्य बीमा निगम

नई दिल्ली, दिनांक 21 नवम्बर 1972

सं० इन्स 1.22(1)-2/72(25)—कर्मचारी राज्य बीमा (सामान्य) विनियम, 1950 के विनियम 5 के उपविनियम (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए महानिदेशक ने यह निश्चय किया है कि निम्न अनुसूची में निर्दिष्ट क्षेत्रों में वर्ग ‘ए’, ‘बी’ तथा ‘सी’ के लिये प्रथम अंशदान एवं प्रथम लाभ अवधियां नियत दिवस 25 नवम्बर, 1972 की मध्यरात्रि को बीमा योग्य रोज-गार में लगे व्यक्तियों के लिये प्रारम्भ व समाप्त होंगी जैसा कि निम्न सूची में दिया गया है:—

वर्ग	प्रथम अंशदान अवधि		प्रथम लाभ अवधि	
	जिस मध्य रात्रि को प्रारम्भ होती है।	जिस मध्य रात्रि को समाप्त होती है।	जिस मध्य रात्रि को प्रारम्भ होती है।	जिस मध्य रात्रि को समाप्त होती है।
ए०	25-11-1972	27-1-1973	25-8-1972	27-10-1973
बी०	25-11-1972	31-3-1973	25-8-1973	29-12-1973
सी०	25-1-1972	26-5-1973	25-8-1973	23-2-1974

## अनुसूची

1. गंजाम जिले में बरहामपुर की नागरीय सीमाओं के भीतर के क्षेत्र जिसमें निम्नलिखित ग्राम हैं:—

1. गोसानी नुआगांव
2. बीजीपुर
3. लांजीपाली
4. पंकलापल्ली
5. बैद्यनाथपुर
6. भापुर
7. शंकरपुर
8. गंजाम जिले में बरहामपुर।

आई० डी० बजाज, उप-बीमा आयुक्त

## गुजरात प्रादेशिक कार्यालय

अहमदाबाद, दिनांक 21 नवम्बर 1972

सं० जी०/ए०डी०एम०/239(कान्स्टी०)/70—स-संदर्भ इस कार्यालय की अधिसूचना क्रमांक नं० जी०/सी०बी०-1/239/70 दिनांक 6-10-71, (पृष्ठ संख्या 2388(हिंदी), 2391(अंग्रेजी) पर अंकित) भारत सरकार के राजपत्र नवम्बर,

48 विभाग 3 वर्ग 4 दिनांक 27 नवम्बर, 1971 में प्रकाशित “स्थानिक कार्यालय लाल दरवाजा” के स्थान पर “स्थानिक कार्यालय, मलाबतपुरा” पढ़ा जाए।

आशा से,

के० बी० केदारे,  
प्रादेशिक निदेशक एवं सचिव,  
क्षेत्रीय मंडल, कर्मचारी राज्य बीमा निगम,  
अहमदाबाद-9

**RESERVE BANK OF INDIA***Bombay-1, the 5th December 1972*

*Ref. DBOD. No. 120/C.404-72.*—In pursuance of sub-section (2) of section 36A of the Banking Regulation Act, 1949, the Reserve Bank of India hereby notifies that Sri Venkateswara Bank Ltd., Shevapet, Salem-2, has ceased to be a banking company within the meaning of the said Act.

M. L. GOTAY  
Chief Officer

**STATE BANK OF TRAVANCORE****Notice***Trivandrum, the 5th December, 1972*

NOTICE is hereby given that the Register of Shareholders of the State Bank of Travancore will be closed for transfer of shares from Saturday the 27th January, 1973 to Saturday, the 10th February, 1973, both days inclusive.

S. NIYOGI  
General Manager

**THE INSTITUTE OF CHARTERED ACCOUNTANTS  
OF INDIA**

*New Delhi-1, the 21st November 1972*

*No. 5-CA(1)/20/1972-73.*—With reference to this Institute's Notifications (i) 4-CA(1)17/71-72 dated 18-12-1971, (ii) 4-CA(1) 18/70-71 dated 4-1-1971 (iii) 4-CA(1)/10/69-70 dated 3-9-1967, it is hereby notified in pursuance of Regulation 18 of the Chartered Accountants Regulations, 1964, that in exercise of the powers conferred by Regulation 17 of the said Regulations, the Council of the Institute of Chartered Accountants of India has restored to the Register of Members, with effect from the dates mentioned against their names of the following gentlemen :—

S. No.	Membership No.	Name and Address	Date of Restoration
1.	10005	Shri D. N. Bhargava, A.C.A., Secretary, Rathi Alloys & Steel Ltd., 28, Sadhna Enclave, New Delhi-17.	7-10-1972
2.	10137	Shri R. Venkatasubramanian, A.C.A., M/s. Narayanan & Co., 14-A, Pandaram Street, Parasawalkam, Madras-7.	11-10-1972.
3.	2104	Shri Satyendra Mahasukhrai Vohra, F.C.A., National Insurance Building, 204, Dr. Dadabhoy Naoroji Road, Fort, Bombay-1.	2-11-1972.

C. BALAKRISHNAN,  
Secretary.

**DAMODAR VALLEY CORPORATION***New Delhi, the 31st October 1972*

*No. 93.*—In exercise of the powers conferred by section 60 of the Damodar Valley Corporation Act, 1948 (14 of 1948), the Corporation hereby makes with the previous sanction of the Central Government, the following regulations further to amend the Damodar Valley Corporation Service Regulations, published with the notification of the Damodar Valley Corporation No. 5 dated the 28th January, 1957, namely :—

1. *Short title and commencement.*—(1) These regulations may be called the Damodar Valley Corporation Service (22nd Amendment) Regulations, 1972.

(2) They shall be deemed to have come into force on the 1st June, 1970.

2. *Amendment of regulation 118.*—In the Damodar Valley Corporation Service Regulations, in regulation 118, in sub-regulation (1), the following proviso shall be inserted at the end, namely :—

“Provided that the Corporation shall bear expenses for Stamp Duty and Registration Charges on a mortgage deed to be executed by an employee for taking a house building advance.”

S. D. PRASAD,  
General Manager & Secretary.

**Explanatory Memorandum**

In pursuance of a settlement arrived at in a tripartite conciliation on the 15th February, 1971, the Corporation has approved that the expenditure incurred on account of stamp duty and registration charges for mortgage deed etc., for grant of house building advances to the employees would be paid by the Corporation and this would be effective from 1st June, 1970.

B. N. CHAUDHURI,  
Deputy Secretary,  
Damodar Valley Corporation.

**THE BAR COUNCIL OF INDIA****Election of Chairman***New Delhi, the 24th November 1972*

Resolution passed by the Council at its meeting on 19th November, 1972 :

**RESOLUTION :**

RESOLVED that Shri R. B. Jethmalani be and is hereby unanimously elected as Chairman of the Council

under Rules 7 and 8 in Chapter I, Part II of the Rules of the Council for the term commencing from 29-11-1972.

A. N. VEERARAGHAVAN,  
Secretary,  
The Bar Council of India.

#### INDUSTRIAL FINANCE CORPORATION OF INDIA

New Delhi-1, the 30th November 1972

No. Estt.1/72-12347.—Errata in respect of Notification No. 10/72 dated the 11th October, 1972, published

in the Gazette of India—Part III—Section 4 dated the 18th November, 1972.

1. Page 1799.—For the word 'be' appearing in the 10th line of Clause (b) of the third proviso to sub-regulation (1) of Regulation 14, read "he"

Page 1800. Delete the words "Assistant General Manager" in the 4th line of Clause (b) of sub-regulation (2) of Regulation 14 C, as these words appear twice.

D. G. RAMAIAH,  
for General Manager.

#### LIFE INSURANCE CORPORATION OF INDIA

##### BOMBAY

*Amendments to the Life Insurance Corporation of India (Staff) Regulations, 1960.*

In exercise of the powers vested in it under clauses (b) and (bb) of Sub-section 2 of Section 49 of the Life Insurance Corporation Act, 1956, and with the previous approval of the Central Government, the Life Insurance Corporation of India makes the following amendments to the Life Insurance Corporation of India (Staff) Regulations, 1960.

SCHEDULE I—(See Regulations 6, 39 & 40)—Appointing, Disciplinary & Appellate Authorities.

The existing entries under (a) relating to "Other Posts in Class I" and (c) "Class III & IV" shall be amended as under :—

Category of employee	Appointing Authority	Disciplinary Authority (For all Penalties)	Appellate Authority
(a) Other posts in Class I :	ZM/D(P)/CIA	ZM/D(P)/CIA	MD
(c) Class III & IV : Superintendents Other employees	ZM/D(P)/CIA DM	ZM/D(P)/CIA DM	MD ZM/D(P)/CIA

The existing Note (2) shall be substituted as under :—

"(2) In this Schedule, C.I.A. means the Chief Internal Auditor; Z.M., means the Zonal Manager in charge of the Zone; D(P) means the Executive Director (Personnel) and M.D. means Managing Director. Where the authority is D.M., it shall mean (a) in a Division, the officer-in-charge of the Divisional Office not below the rank of Divisional Manager; (b) at the Zonal Office and Central Office, an officer not below the rank of Divisional Manager, duly authorised by the Z.M. and D(P) respectively; (c) in respect of the Internal Audit Organization at a place other than Central Office, the Internal Auditor; and (d) in respect of the Internal Audit Organisation at the Central Office, an officer not below the rank of Divisional Manager duly authorised by the C.I.A."

#### SCHEDULE II—SCALES OF PAY :

Item at serial No. 2 under the heading "A. Scales of Pay. I. Class I Officers" may be amended as under :

"(2) Executive Directors and Chiefs of Departments at Central Office/Zonal Managers/Chief Internal Auditor :

(a) Ordinary Scale	.. Rs. 2000-125-2500
(b) Selection Scale	.. Rs. 2500-125-3000

Note : While Chief Internal Auditor and Chiefs of Departments at Central Office would normally be drawn from the cadres of Zonal Manager, where suitable officers for filling up these posts are not available from this cadre they may be drawn from the cadre of Deputy Zonal Manager/Sr. Divisional Managers/Secretaries at Central Office.

SCHEDULE IV—Competent Authorities : The entries against the items given below shall be amended as shown :

Reg. No.	Nature of Power	Authority	Extent of Power
17. To appoint an employee to officiate in a higher post.		Appointing Authority Chairman in respect of posts for which the Corporation or Executive Committee is the appointing authority.  ZM/D(P)/CIA in respect of posts for which the Chairman or the MD is the appointing authority.	Full Full  If the period of officiating arrangement is not more than three months.
19. To refuse leave preparatory to retirement.		ZM/D(P)/CIA	In respect of Class I Officers of the rank of BM/AO and below and employees belonging to Classes II, III & IV.

Reg. No.	Nature of Power	Authority	Extent of Power
		Chairman D(P) duly authorised by Chairman	Other Class I Officers. In respect of Officers below the rank of Z.M.
29.	To allow an employee to undertake part-time work and to determine the amount to be paid to the Corporation.	DM incharge of the Division/IA  D(P)/CIA	In respect of employees in the cadres of ADM and below.  In respect of employees in the Central Office/Internal Audit Organisation upto and including the rank of DZM.
61, 65, 66 & 68	Privilege Leave, Sick Leave, Maternity leave, Quarantine leave and extraordinary leave and Commutation of Leave.	The 4th & 5th entries herein will be amended as under : Officer-in-charge not below the rank of DM/IA or an officer not below the rank of DM/IA duly authorised by ZM/D(P)/CIA ZM/D(P)/CIA	In respect of Class I Officers in the cadres of ADM/Sr. BM and equivalent cadres.  In respect of other Class I Officers below the rank of ZM.
	Extra-ordinary leave under special circumstances	ZM/D(P)/CIA	In respect of employees belonging to Classes II, III and IV and Class I Officers in the cadres of ADM/Sr. BM and equivalent cadres and other Class I Officers of lower rank.
64.	To grant special sick leave to employees suffering from any of the five major diseases of cancer, leprosy, T.B., Poliomyelitis and mental diseases.	Officer-in-charge not below the rank of DM/IA or an officer not below the rank of DM/IA duly authorised by ZM/D(P)/CIA	In respect of Classes III and IV employees.
69(4)	To allow the period of extraordinary leave to count for increments.	ZM/CIA	In respect of employees belonging to Class II, III and IV and Class I Officers in the cadres of AAO/ABM and equivalent cadres in the Zone/Internal Audit Organisation when extraordinary leave has been taken on account of illness supported by medical certificate.
73.	To curtail joining time and to grant special leave to the extent of joining time curtailed.	ZM/D(P)/CIA	In respect of Class I Officers.

**SCHEDULE-V—Travelling & Daily Allowance (Sec Reg. 79)**

- (a) Proviso to Clause 1, sub-clause (2) will be amended as under : "Provided that the Managing Director, the Executive Director Zonal Manager, or the Chief Internal Auditor may permit any other employee to travel by air, if necessary."
- (b) Sub-clause (5) Clause 1 will be amended as under : "The Managing Director or the Executive Director or the Zonal Manager or the Chief Internal Auditor may allow an employee to travel by a class higher than that by which he is entitled to travel by train if the circumstances of the case so require. In every such case the reasons will be recorded in writing."
- (c) Clause 4—"Time limit for the family to join the employee."

The penultimate sentence of this clause will be amended as follows :—

"The zonal Manager or the Director (personnel) or the Chief Internal Auditor may relax the time limit upto nine months."

R.M. MEHTA, *Managing Director*

**EMPLOYEES' STATE INSURANCE CORPORATION**

*New Delhi, the 21st November 1972*

No. IN.S.22(1)-2/72(25) : In exercise of the powers conferred by sub-regulation (1) of Regulation 5 of the Employees' State Insurance (General) Regulations, 1950, the Director General has determined that in the areas specified in the Schedule given below the first contribution and first benefit periods for Sets 'A', 'B' and 'C' shall begin and end in respect of persons in insurable employment on the appointed day of midnight of 25th November, 1972 as indicated in the table below given :—

Set	First Contribution Period		First benefit period	
	Begins on midnight of	Ends on midnight of	Begins on midnight of	Ends on midnight of
A	25-11-1972	27-1-1973	25-8-1973	27-10-1973
B	25-11-1972	31-3-1973	25-8-1973	29-12-1973
C	25-11-1972	26-5-1973	25-8-1973	23-2-1974

**SCHEDULE**

"1. The area within the limits of Berhampur Municipality in Ganjam District consisting of the revenue villages :—

1. Gosani Nuagaun.
2. Bijipur
3. Lanjipali

4. Pankajapalli
5. Baidyanathpur
6. Bhapur
7. Sankarpur
8. Borhampur in Ganjam District."

I. D. PAJAJ,  
Deputy Insurance Commissioner

*New Delhi, the 27th November 1972*

No. 2(2)-1/67-Estt.III.—In pursuance of Section 25 of the Employees' State Insurance Act, 1948 (34 of 1948) read with Regulation 10 of the Employees' State Insurance (General) Regulations, 1950, the Chairman, Employees' State Insurance Corporation in consultation with the State Government of Haryana is pleased to nominate Minister for Labour and Dy. Minister for Irrigation & Power, State of Haryana as Chairman and Vice-Chairman, Regional Board, Haryana, respectively.

Now, therefore, the following amendment is hereby made in the Employees' State Insurance Corporation Notification No. 2(2)-1/67-Estt.III, dated the 2nd March, 1970 pertaining to the constitution of the Regional Board for Haryana State.

*Substitute* entry against Item Nos. 1 and 2 as under, namely :—

1. Minister for Labour, State of Haryana,—Chairman, nominated by the Chairman, E.S.I. Corporation,
2. Deputy Minister for Irrigation & Power, State of Haryana.—Vice-Chairman, nominated by the Chairman, E.S.I. Corporation.

*The 1st December 1972*

No. 2-12(1)/68-Estt.III.—In pursuance of Section 25 of the Employees' State Insurance Act, 1948 (34 of 1948), read with Regulation 10 of the Employees' State Insurance (General) Regulations, 1950, the Chairman, Employees' State Insurance Corporation in consultation with the State Government of Orissa makes the following amendments in the Employees' State Insurance Corporation Notification No. 2-12(1)/68-Estt.III, dated 29-8-1969 pertaining to the constitution of the Regional Board for Orissa Region.

The entry against Item No. 1 shall be substituted as under, namely :—

Minister of Labour, State of Orissa.—Chairman, nominated by the Chairman, E.S.I. Corporation.

The entry against Item No. 1(a) may be deleted.

No. 6(4)/69 Estt.III.—Whereas the Department of Labour and Employment, Government of India, New Delhi, in pursuance of the provisions of clause (d) of Section 4 of the Employees' State Insurance Act, 1948 (34 of 1948), vide their Notification No. U.16012(10) 72-HI, dated the 10th October, 1972 have notified Shri D. Bandopadhyay, IAS as a member of the Employees' State Insurance Corporation in place of Shri S. R. Das.

Therefore, in pursuance of Section 25 of the Employees' State Insurance Act, 1948 (34 of 1948), read with Regulation 10 of the Employees' State Insurance (General) Regulations, 1950, the following amendment is hereby made in the Employees' State Insurance Corporation Notification No. 2(2)-1/66-Estt.III, dated the

16-9-1972 pertaining to the constitution of Regional Board, West Bengal Region, namely :—

In the said Notification for the entry against Item No. 6A, the following entry shall be substituted, namely :—

"Shri D. Bandopadhyay, IAS, Secretary to the Govt. of West Bengal, Labour Department, Calcutta—Member of the E.S.I. Corporation, nominated by the State Government residing in the area—*Ex-officio*."

*The 5th December 1972*

No. 2-4(1)/68-Estt.III.—Whereas the Department of Labour and Employment, Government of India, New Delhi, in pursuance of the provisions of clause (d) of Section 4 of the Employees' State Insurance Act, 1948 (34 of 1948), vide their Notification No. U-16012 72-HI, dated 7-11-72 have notified Shri Ishwari Prasad as a member of the Employees' State Insurance Corporation in place of Shri I. N. Thakur.

Therefore, in pursuance of Section 25 of the Employees' State Insurance Act, 1948 (34 of 1948) read with Regulation 10 of the Employees' State Insurance (General) Regulations, 1950, the following amendment is hereby made in the Employees' State Insurance Corporation Notification No. 2-4(1)/68-Estt, dated 23-12-70 pertaining to the constitution of Regional Board, Bihar Region, namely :—

In the said Notification for the entry against Item No. 11, the following entry shall be substituted, namely :—

"Shri Ishwari Prasad, Secretary to the Govt. of Bihar, Department of Labour and Employment, Patna—Member of E.S.I. Corporation nominated by the State Govt. residing in the area—*Ex-officio*."

T. C. PURI,  
Director General

#### CORRIGENDUM

*Ahmedabad-9, the 21st November 1972*

No. G/ADM/239(Consti)/70.—In partial modification of this office Notification No. G/CB-I/239/70 dated 6th October, 1971 published (at page 2388 in Hindi and at page 2391 in English) in the part III Section IV of Gazette of India No. 48 dated 27-11-71, the name of the Local office Salabatpura may please be substituted in place of Local Office Lal-Darwaja at S. No. 8.

By Order

K. V. KEDARE,  
Regional Director & Secretary Gujarat  
Regional Board, ESI Corporation,  
Ahmedabad-9.



## INDUSTRIAL DEVELOPMENT BANK OF INDIA

*Report of the Board of Directors for the year ended June 30, 1972, submitted to the Reserve Bank of India in terms of Section 23(5), and to the Central Government and the Reserve Bank of India in terms of Section 18(5) of the Industrial Development Bank of India Act, 1964*

(Seal)

AUGUST 1972

(As on June 30, 1972)

## BOARD OF DIRECTORS

SHRI S. JAGANNATHAN (*Chairman*)SHRI V. V. CHARI (*Vice-Chairman*)

SHRI P. N. DAMRY

DR. R. K. HAZARI

SHRI S. S. SHIRALKAR

SHRI S. L. KIRLOSKAR

SHRI BHASKAR MITTER

SHRI V. N. PURI

SHRI J. RAMDAVE ROW

\* SHRI ARVIND N. MAFATLAL

\* SHRI G. BASU

\* SHRI KAMALJIT SINGH

\* SHRI D. C. KOTHARI

DR. P. B. GAJENDRAGADKAR

DR. A. M. KHUSRO

DR. BHABATOSH DATTA

SHRI S. M. JOSHI

SHRI C. P. SRIVASTAVA

† SHRI N. C. SEN GUPTA

## MEMBERS OF THE REGIONAL COMMITTEES

*Chairman*—SHRI V. V. CHARI

## EASTERN REGION

SHRI BHASKAR MITTER

\* SHRI G. BASU

SHRI ABHIJIT SEN

SHRI HARI SHANKAR SINGHANIA

SHRI K. N. MOOKERJEE

SHRI S. SOUNDARARAJAN

DR. U. N. BARDOLOI

DR. H. P. MISRA

## SOUTHERN REGION

DR. V. SHANMUGASUNDARAM

SHRI M. K. RAMACHANDRA

SHRI S. VISWANATHAN

SHRI N. B. PRASAD

SHRI V. I. CHACKO

SHRI M. S. PARTHASARATHY

\*\* SHRI D. C. KOTHARI

## NORTHERN REGION

SHRI G. R. MATTO

SHRI HARBANS SINGH

SHRI BISHAMBER DAS KAPUR

PROF. N. L. HINGORANI

DR. A. M. KHUSRO

\* Retired with effect from 1st July 1972.

† Nominated with effect from 17th August 1972.

\*\* Renominated with effect from 24th August 1972.

## LETTER OF TRANSMITTAL

Industrial Development  
Bank of India,  
Bombay.

September 28, 1972  
Asvina 6, 1894 (*Saka*).

The Governor,  
Reserve Bank of India,  
Central Office,  
Bombay.

Dear Sir,

In accordance with the provisions of Sections 23(5) and 18(5) of the Industrial Development Bank of India Act, 1964, I forward herewith the following documents :—

- (1) A copy each of the Annual Accounts of the General Fund and the Development Assistance Fund of the Industrial Development Bank of India for the year ended June 30, 1972;

and

the year ended June 30, 1972.  
working of the Development Bank, including that of the Development Assistance Fund during the year ended June 30, 1972.

Yours faithfully,  
V. V. CHARI  
*Vice-Chairman*

## LETTER OF TRANSMITTAL

Industrial Development  
Bank of India,  
Bombay.

September 28, 1972  
Asvina 6, 1894 (*Saka*).

The Secretary to the Government  
of India,

Ministry of Finance,  
Department of Banking,  
New Delhi.

Dear Sir,

In accordance with the provisions of Section 18(5) of the Industrial Development Bank of India Act, 1964, I forward herewith the following documents :—

- (1) A copy of the Annual Accounts of the Development Assistance Fund for the year ended June 30, 1972;

and

- (2) a copy of the Report on the working of the Development Assistance Fund, which forms part of the Report of the Board on the working of the Development Bank during the year ended June 30, 1972.

Yours faithfully,  
V. V. CHARI  
*Vice-Chairman*

## OVERALL REVIEW OF ECONOMIC TRENDS :

1971-72

The previous year's report indicated that the outlook for 1971-72 would depend crucially on the vagaries of international politics and those of the weather. Both had their adverse impact on the economy during 1971-72. The drought conditions which prevailed in some parts of the country were responsible for stagnation in foodgrains output, while a defensive war along with the massive challenge of supporting and sending back about 10 million unfortunate refugees from Bangladesh diverted the country's attention as well as the resources away from the development tasks. Nevertheless, it is indicative of the strength and resilience of the economy that it could absorb these strains and still attain a modest growth rate in national income.

2. One of the achievements of the economy during the year was a further rise in savings, the proportion of savings to Net Domestic Product (NDP) at market prices rising from 9.4 per cent in 1970-71 to about 10 per cent in 1971-72. This proportion had declined sharply from 9.9 per cent in 1965-66 to 7.3 per cent in 1966-67 after which it seems during the current year, to have regained more or less the earlier best level of 1965-66. Investment as a proportion of NDP at market prices increased from 10.5 per cent last year to about 11.5 per cent during the current year. Foreign exchange reserves showed a significant rise of 16 per cent from Rs. 732 crores at the end of March 1971 to Rs. 849 crores at the end of March 1972, mainly due to the allocation of Special Drawing Rights (SDRs) from the IMF in 1972 and some appreciation of the rupee value of reserves following the realignment in international exchange rates. A useful comparison of the level of holding at the two relevant dates of foreign exchange excluding SDRs, would be in terms of *sterling* (which under the December 1971 realignment appreciated in terms of US dollars to the same extent as the upward revision of the dollar price of gold). On this basis, our holding on 31st March 1972 was higher by 1.4 per cent over that at the corresponding date in the previous year.

3. Notwithstanding these bright spots in the economy, certain developments do indicate the need for a serious examination of economic trends and policies in the light of the plan objectives. The growth rate in national income seems to be not only lower than that of the previous year and of the growth rate visualised in the Fourth Plan but was also lower than the average rate of growth between 1950-51 and 1964-65. This was the result of stagnation in foodgrains output as well as in industrial output. With substantial productive capacity built in the industrial sector, it is somewhat disappointing that it has not been possible to improve the rate of utilisation of that capacity. In a number of cases, the demand constraint is operative in view of the sluggishness in public sector investment, and shortages of power and of transport in certain sectors have also acted as constraints, while in some other cases there are shortages of critical raw materials, spare parts and balancing equipment. These shortages can be mitigated by selective expansion of imports; however, for supporting the imports, we would require a substantial growth in exports. In this context, the export growth of about 2 per cent this year is disappointing.

4. Money supply and aggregate monetary resources have grown at an unusually high rate since 1964-65. A part of this rise has doubtless been absorbed by the substantial increase in foodgrains output since 1967-68. However, the fact that the wholesale prices have continued to rise and the fact that the foodgrains prices have risen by about 3.9 per cent during 1971-72 do indicate some degree of imbalance between the growth in monetary resources and the growth in national income.

5. Employment in the organised sectors seems to be growing much more slowly than during 1950-51 to 1964-65—a serious consequence of the stagnation in the industrial sector. The main economic indicators are given in Table 1.

*Investment in Industry*

6. Precise estimates of investment in the private sector of industry in 1971-72 are not available. There are, however, indications which suggest some rise in investment in absolute amounts. It is worth noting, however, that as a ratio of national income, private corporate sector investment has still not reached the peak level of 1964-67.

7. Data on registration of new companies, industrial licences issued, licences given for import of capital goods, the magnitude of capital issues and credit advanced by the term-financing institutions are, together, suggestive of some improvement in investment activity (Table 2).

8. However, it would appear that except for that part of the activity which was financed by term-financing institutions, investment activity in the private industrial sector has been relatively subdued. This was in part the result of a relatively low level of public sector investment; in the past, the level of investment in the public sector played a catalytic role in stimulating the overall investment in the country.

9. The operations of the IDBI as also other institutions, during 1971-72 indicate an improvement in investment activity in the private sector of industry.

10. Assistance sanctioned by the IDBI during 1971-72 (July-June) in the form of direct loans (other than for exports), underwriting of shares and debentures, re-financing of industrial loans and rediscounting of machinery bills, which broadly reflect investment decisions in the private sector of industry increased by about 45 per cent over 1970-71. Total disbursements under these four categories of assistance also were higher by 36 per cent indicating a pick-up in actual investment in the private sector of industry. The disbursements of assistance during 1972-73 are expected to increase markedly in view of the fact that some of the major projects to which assistance was sanctioned during 1970-71 and 1971-72 would start drawing funds for implementing their projects.

11. On a rough estimate, assistance from IDBI during 1971-72 (April-March) constituted about 13 per cent of total gross fixed investment in the private corporate sector of industry. It is significant to note that this proportion which increased by 1 percentage point in 1970-71 recorded a rise of about 3 percentage points in 1971-72. Further, the IDBI's export assistance constituted about 17 per cent of the total exports of engineering goods during 1971-72.

12. The role of other institutions in supporting investment activity in the private corporate sector has also been significant. During 1971-72, assistance from the term-financing institutions (IDBI, IFCI, ICICI, IRCI, SFCs and SIDCs) accounted for about 27 per cent of the total gross fixed investment in the private corporate sector of industry.

13. Thus, the term-lending institutions have come to play a key role; many projects would not have reached the implementation stage without the active and sympathetic support of these institutions. This role of the institutions is likely to be considerably enhanced in the near future with their assuming an active catalytic role in promoting and spurring sound industrial projects. The promotional role of the term-lending institutions, co-ordinated with the lead role of banks in selected districts through the machinery of inter-institutional groups at the State level, would introduce an improvement in the selection of projects and tend to stimulate industrial development.

TABLE 1—MAIN ECONOMIC INDICATORS  
(April-March)

Unit	1950-51	1964-65	1969-70	1970-71	1971-72	Annual rate	Annual rate	Annual Growth Rate	
						(compound) of growth between 1964-65 and 1950-51 (percent)	(compound) of growth between 1971-72 and 1964-65 (per cent)	1970-71 (per cent)	1971-72 (per cent)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
National Income . . . . . Rs. in crores	9242	15917	17955	18755@	..	4.0	2.8†	4.7	..
(Constant prices)									
Per capita Income . . . . . Rs.	258.3	335.8	339.4	347.0	..	1.9	0.6†	2.2	..
(Constant prices)									
Agricultural Production . . . . . Index 1949-50=100	95.6	159.4	170.8	182.2	..	3.7	2.3†	6.7	..
Foodgrains Production . . . . . " 1949-50=100	90.5	150.8	168.6	182.7	..	3.7	3.2†	8.4	..
Industrial Production . . . . . " 1960 =100	57.9*	144.9	175.1	181.6	189.9	7.3+	4.0	3.7	4.6
(Unadjusted)									
Exports (at post devaluation rate) . . . . . Rs. in crores	946	1286	1413	1535	1567	2.2	2.9	8.6	2.1
Imports (at post devaluation rate) . . . . . "	1024	2126	1582	1634	1853	5.4	-2.0	3.3	13.4
Foreign Exchange Reserves) . . . . . " (end-March)	1621	393	821	732	849	-9.6	11.6	-10.8	16.0
(at post devaluation rate)									
Money Supply (Average of month—end figures) . . . . . Rs. in crores	1874*	3866	6009	6736	7552	5.7+	10.0	12.1	12.1
Monetary Resources (Average of month—end figures) . . . . . "	2196*	5269	8812	9980	11472	6.9+	11.8	13.2	14.9
Wholesale Prices (Average)									
(i) All Commodities . . . . . Index 1961-62=100		122.3	171.6	181.1	188.4	2.3†	6.4	5.5	4.0
(ii) Foodgrains . . . . . "		145.5	208.2	206.8	214.9	2.4†	5.7	-0.7	3.9
(iii) Industrial Raw Materials . . . . . "		115.9	180.1	197.3	191.0	1.6†	7.4	9.6	-3.2
(iv) Manufactures . . . . . "		109.8	143.5	154.9	167.1	2.1†	6.2	7.9	7.9
Cost of Living Index . . . . . Index 1949=100	101	157	215	226	233	3.2	5.8	5.1	3.1
(Industrial Workers)									
Net Domestic Savings as per cent of Net Domestic Product (NDP) at market prices . . . . .			8.6	9.4	10.0				
(i) Government Savings as per cent of NDP . . . . .			1.9	1.9	1.5				
(ii) Private Corporate Savings as per cent of NDP . . . . .			0.4	0.5	0.5				
(iii) Household Savings as per cent of NDP . . . . .			6.3	7.0	8.0				
Net Capital Inflow as per cent of NDP . . . . .			0.7	1.1	1.5				
Net Investment as per cent of NDP . . . . .			9.3	10.5	11.5				
Employment in the Organised Sector . . . . . (In million) (end-March)	6.74	15.00	17.07	17.45	..	5.9	2.5†	2.2	

@Quick estimates.

†Upto 1970-71.

\*Relates at 1951-52.

+Between 1951-52 and 1964-65.

‡Based on the price index with 1952-53=100.

.. Not available.

TABLE 2—SOME INDICATORS OF INVESTMENT ACTIVITY

Period	Capital issues through Prospectus* (July-June)	Capital raised by non-Govt. companies (calendar year)	No. of new companies** registered (April-March)	No. of Industrial licences issued (calendar year)	Import Licences issued for capital goods/heavy electrical plants** (April-March)	Assistance†† disbursed by	
						IDBI (April-March)	All term financing institutions (April-March)
	(Rs. crores)	(Rs. crores)			(Rs. crores)	(Rs. crores)	(Rs. crores)
1	2	3	4	5	6	7	8
1965-66	60.2	100.4	1,341	..	268.1	39	105
1966-67	44.3	78.6	1,039	363.1	435.7	55	125
1967-68	58.2	86.3	1,044	292	164.7	45	105
1968-69	47.0	96.4	1,115	216	83.8	33	85
1969-70	58.7	92.7	1,510	221	73.2	46	111
1970-71	42.7	86.7	1,927	363	127.1	55	133
1971-72	54.8	77.7	..	626	252.2	75	162

\*By non-Government, non-financial companies; data pertain to ordinary and preference shares and debentures.  
+Government and non-Government.

\*\*Covering January-October.

. Not Available.

††Comprising direct loans (other than for exports), underwriting, refinance of industrial loans and rediscounts; in the computation of figures relating to all term-financing institutions (IDBI, IFCI, ICICI, IRCI, SFCs and SIDCs/SICs) refinance assistance from IDBI to SFCs is excluded to avoid double counting.

14. Most of the major projects for which IDBI has sanctioned assistance during 1970-71 and 1971-72 were conceived during the middle sixties. At present, not many large projects are in the incubation stage. It appears that to improve the investment climate from a longer term point of view, we would require such active and prafimatic economic policies as are consistent with the plan objectives relating to investment and industrial growth.

15. It may be noted that it is proposed to withdraw from end-May 1974 the development rebate—a measure which did provide a substantial incentive so far for a rapid rise in investment in new and expansion projects as well as replacement projects. Development rebate enabled these projects to plough back their profits, reduce their reliance on outside sources, improve the rate of return and accumulate adequate funds for replacement of machinery, the price of which had been rising and for which depreciation provision was not adequate. Withdrawal of this incentive would imply that the term-lending institutions would have to provide larger assistance for investment purposes and the period of repayment of these loans by the borrowers would be lengthened.

#### Industrial Policy Measures

16. Relaxations in the new Industrial Licensing Policy (1970) effected by the Government from time to time, have been briefly referred to in the earlier Reports. This policy, which aims at promoting investment in the 'core' sector and export-oriented industries, was further modified in January 1972. Thus, 54 major industries in the field of basic metals, machinery, textiles, fertilisers, chemicals, cement, etc., have been allowed further utilisation of capacity subject to the following conditions: (a) wherever the licence issued to a party has mentioned a certain capacity specifically on the basis of one-or-two-shift working, the party would be allowed an increase in its licensed capacity on the basis of maximum utilisation of plant and machinery; (b) in other cases, the present facility of additional production of upto 25 per

cent of the licensed capacity would be enhanced to 100 per cent. These relaxations will not automatically apply to the companies in which foreigners own a majority of the equity or to those belonging to the larger industrial houses.

17. Among other measures initiated with a view to promoting the healthy development of industry, mention may be made of the following:

—the amendment to the Industries (Development and Regulation) Act 1951 empowering the Government of India to take over mismanaged industrial units or units closed down for more than three months and to manage the units in liquidation;

—taking over, pending nationalisation, of the management of 214 coking coal mines with effect from October 16, 1971 to ensure effective conservation, scientific exploitation and development of these mines; and

—the setting up of a Government-owned holding company charged with the task of planning and development of iron and steel industry in all its phases right from mining and covering all inputs that ultimately have to go into the integrated steel plant to ensure production of high quality steel.

#### EVOLVING ROLE AND FUNCTIONS

18. The years 1970 and 1971 witnessed as mentioned in the previous year's report important developments in the evolution of the role and functions of the IDBI. In these years, a process of consolidation as well as of exploration was initiated.

#### A. TOWARDS EXTENDING IDBI's CO-ORDINATING ROLE

19. IDBI's role as a co-ordinator is mainly being performed through the machinery of a monthly Inter-Institutional Meeting of senior executives of the Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India (ICICI), the

Life Insurance Corporation of India (LIC) and the Unit Trust of India (UTI), under the aegis of IDBI. It is at these meetings that broad policies in the field of project financing are discussed and co-ordinated and proposals are considered for the provision of financial and technical assistance on a consortium basis for large as well as medium projects.

#### *All-India Institutions—New Areas for Co-ordinated Functioning*

20. The areas for co-ordination are being extended. The application forms for assistance and documentation formalities are proposed to be made uniform, as far as possible, for all the institutions. Appraisal and supervision of projects assisted on a consortium basis are being co-ordinated so as to avoid undue duplication and delays. A uniform basis for the collection and processing of project data is also being evolved to facilitate the carrying out of meaningful purposive studies, useful for policy decisions. The work relating to the supervision of the process of implementation of project ideas identified through the surveys and the initiation of promotional activities is being distributed among the three institutions—IDBI, IFCI and ICICI—while the overall supervision and guidance would remain the function of the IDBI.

#### *Towards Integrating the Structure of State-level Financial Institutions*

21. Last year, a Working Group was appointed to study the functions of State Industrial Development Corporations (SIDCs), State Industrial Investment Corporations (SIICs) and such other bodies and suggest the possibilities of integrating these institutions within the IDBI network. This Group has completed its discussions in a number of States and is currently formulating its proposals for co-ordinating the activities of these institutions *inter se* and with those of the IDBI.

#### *Role of Co-ordinator With Regard to Export Finance*

22. For co-ordinating the functions of the various institutions concerned with providing term credits for the exports of engineering goods, the IDBI has set up two groups : (a) Informal Consultative Group, comprising the IDBI, the banks, the Export Credit and Guarantee Corporation (ECGC) and the Exchange Control Department (ECD) and the Department of Banking Operations and Development (DBOD) of the Reserve Bank; and (b) the *Ad hoc* Working Group comprising, again, the IDBI, concerned banks, the ECGC and the ECD and the DBOD of the Reserve Bank.

23. The Consultative Group discusses broad problems and policies in the field of export finance and the possibilities in the field of exports of engineering goods and technical services, and turn-key jobs and joint ventures abroad. This Group has so far set up four Sub-Groups to deal with the problems relating to (a) buyers' credit, (b) appraisal criteria for export credit, (c) rediscounting of export bills with foreign banks/international institutions and (d) co-ordination machinery for export credit. The first Sub-Group on Buyers' Credit has already submitted its report. The other Sub-Groups are expected to submit their reports to the main Group soon.

24. The *Ad hoc* Working Group brings together the concerned institutions with regard to a specific export proposal to facilitate quick and co-ordinated decision-making and avoid undue duplication or delays. So far six such Groups have been constituted.

25. Thus, the co-ordination machinery that has already been set up by the IDBI is in line with the Banking Commission's Recommendation No. 230, viz., "The machinery for providing export credit is adequate and hence there is no justification for the creation of an Export Import Bank..... Co-ordination between all export

financing institutions should be ensured through Consultative Groups and Informal Groups of IDBI."

#### **B. STRUCTURAL-FUNCTIONAL STREAMLINING** *Regional/Branch Offices*

26. It is essential for the IDBI to develop live and intimate contacts with the economic situation and potentialities in the different regions of the country. As a first step in this regard, the IDBI opened in 1969-70 three Regional Offices—one each in the Eastern Region (Calcutta), Southern Region (Madras) and the Northern Region (New Delhi). Later, Branch Offices were opened during 1970-71 in Patna, Chandigarh, Trivandrum (since shifted to Cochin for administrative convenience), Bhopal, Gauhati, Bangalore and Jammu. During 1971-72, Branch Offices have been opened in Hyderabad and Kanpur. A Branch Office at Bhubaneswar has been opened on July 1, 1972.

#### *Project Profiles and Project Studies*

27. The pro-forma for project profiles was finalised last year. Data on currently assisted projects are being collected and processed as per this pro-forma. As regards the past cases—about 150 in all—project profiles are being completed with the assistance of the Economic Department and the Department of Statistics of the Reserve Bank.

#### *Journal of Development Banking*

28. Considerable experience has been gained in India by the financial institutions and the banks in the field of development finance. This experience needs to be analysed for the purpose of identifying areas for future action. Further, the activities of the financial institutions need to be presented to the public as well as to each other in a consolidated and meaningful form for proper understanding of the role of the financial institutions as a group. Again, a continuous study and examination of the problems in the field of development finance are essential for formulating appropriate policies suited to the changing needs of the emerging situation. For all these purposes, it has been decided to start a *Quarterly Journal of Development Banking* by the IDBI jointly with the IFCI, the ICICI and the Reserve Bank's Economic, Statistics and Industrial Finance Departments. It is proposed to bring out the pilot issue late in 1972.

#### *Manual for Project Work*

29. The broad approach, methods and criteria relating to project work have evolved over the last few years. With the recent innovations in this field, the time is ripe for crystallising the IDBI approach, methods and criteria relating to project work. A Group consisting of IDBI officers and officers of the Economic Department and the Department of Statistics of the Reserve Bank has been set up to prepare a Manual for Project Work. Such a Manual would be of considerable use for the IDBI Regional/Branch offices as well as for the other all-India and State-level financial institutions, including banks. It is proposed to circulate this Manual to each one of them and hold periodical seminars at different centres.

#### *Liaison with the Economic Department of the Reserve Bank*

30. The IDBI has established close liaison with the Economic Department of the Reserve Bank of India for getting the latest information on the financial and economic conditions in various importing countries. The RBI prepares and supplies country profiles which would assist the IDBI in taking decisions on individual cases for export assistance.

31. The IDBI has also developed contacts with the international agencies like International Bank for Reconstruction and Development (IBRD), United Nations Industrial Development Organisation (UNIDO) and the Asian Development Bank.

*Mining Committee*

32. In consultation with the Government of India, the IDBI constituted, in August 1971, a Committee on Financing the Mining Industry under the Chairmanship of its Joint General Manager, to devise a suitable scheme for financing the small and medium-sized mining units for augmenting the flow of institutional credit to mining sector, leading to its growth. The Committee which includes representatives from the Department of Mines, Government of India, Indian Bureau of Mines, the IDBI and the Industrial Finance Department of the Reserve Bank of India has completed its work and is expected to submit its Report soon.

*Internal Assessment of Methods, Procedures and Schemes of Assistance*

33. As was indicated in the previous year's Report, the assistance schemes, methods, procedures and criteria relating to sanction and disbursement of assistance need to be reviewed periodically for the purpose of modifying them in the light of the changing situation. Accordingly, four groups were set up last year to study (a) the lag between sanction and disbursement of assistance, (b) the lag between the receipt of an application and the final processing of application for sanction of assistance, (c) the operation of the Refinance Scheme and (d) the operation of the Bills Rediscounting Scheme. The reports of all the groups have been finalised and appropriate action is being initiated in the light of the recommendations made. Further, a group to study the causes of cost overrun in a few selected projects was formed during the year. The report of the Group is expected to be ready shortly.

**C. SHARPENING OF CRITERIA AND METHODS OF PROJECT SELECTION***Criteria for Project Selection*

34. The criteria relating to project selection were discussed in detail in the last year's Report. The two criteria—internal rate of return and the implicit exchange rate—have been applied to cases of direct assistance proposals during the year. These criteria have helped in making explicit the assumptions behind appraisal as well as the cost/benefit pattern of projects to be assisted and thus in decision-making.

*Constraints with regard to the Selection Process*

35. In applying these criteria, however, the IDBI is faced with certain problems. In a number of projects, the scale of operation, the basic technical processes and collaboration agreements and import content are determined by a variety of Government licensing authorities and, to this extent, IDBI's freedom to suggest modifications is considerably restricted. In some cases, it was found that the viability of projects would considerably improve if the economies of scale could be exploited. However, since such matters are decided elsewhere, IDBI's selection process has to function within these constraints. In actual practice, these constraints need to be taken into account, while applying these criteria.

*Information Relating to International Prices and Exchange Rate Criterion*

36. Further, for the exchange rate criterion, it is essential to have up-to-date information with regard to international prices of goods and services that are to be produced by the projects under examination. It has been difficult to get this information in a number of cases. However, the IDBI has now established close contact with the Development Finance Companies Department of the IBRD, the UNIDO and such other international institutions for the purpose of obtaining this information. The

IBRD and the UNIDO have set up special machinery to collect and process this valuable information, which would be useful to development banks and planning bodies all over the world and particularly the under-developed countries.

*Selection Criteria to be applied to Refinance and Export Cases*

37. With the experience gained in the application of these criteria, it is now decided to apply them for cases of refinance assistance and export proposals also. A beginning in this direction has already been made and application forms and pro-formae have been modified accordingly. The SFCs and the banks are being induced to adopt these criteria in their own appraisals also.

**D. NEW INITIATIVES—PROMOTIONAL FUNCTIONS OF THE IDBI***Project Work Essential for Promotional Functions*

38. The IDBI has been keenly aware of the limitations of financial and fiscal incentives in promoting industrial development in backward areas. It has been recognised that it would be essential to undertake considerable amount of project work for the purpose. This work comprises identification of project ideas, preparation of preliminary feasibility studies, search for managerial and entrepreneurial talents, preparation of detailed project reports, managerial, technical and financial assistance for project implementation, critical evaluation of projects from the national point of view and finally project supervision.

*Identification of Project Ideas—Surveys of Industrial Possibilities*

39. Accordingly, the IDBI with the assistance of other term-lending institutions initiated surveys of backward States in 1970 for the purpose of identifying specific project ideas in the light of the natural and other resources, demand conditions and infra-structure facilities for the next 5 to 10 years. These surveys are carried out by study teams under the supervision and guidance of a Committee of Direction comprising senior officers of the IDBI, the IFCI, the ICICI, Reserve Bank of India, the Agricultural Refinance Corporation (ARC) and the Government of India. Each study team comprises mostly officers of participating financial institutions, the concerned lead banks and State-level financial institutions. During the previous two years 1969-70 and 1970-71, the surveys were completed for Assam, Arunachal Pradesh, Bihar, Jammu & Kashmir, Madhya Pradesh, Manipur, Nagaland, Orissa, Rajasthan, Tripura and Uttar Pradesh. In 1971-72, surveys relating to Chandigarh, Goa, Daman and Diu (including Dadra and Nagar Haveli), Himachal Pradesh and Pondicherry were completed. The survey that is currently being undertaken relates to Andhra Pradesh. Surveys of Andaman and Nicobar Islands and Laccadive, Amindive and Minicoy Islands will be taken up shortly. The survey reports on Bihar, Assam, Arunachal Pradesh and Tripura have been printed. The other reports are to be published soon. Meanwhile, it is proposed to bring out a Report containing a list of the projects identified in all the survey reports, together with the recommendations with regard to incentives to be offered and policies followed for implementing them. This publication would be useful to the would-be entrepreneurs—whether in the public or the private sector—as well as to various Government bodies and the Planning Commission.

40. Further, the IDBI with the assistance of other financial institutions as well as consultancy services has carried out surveys of some districts, e.g. Trivandrum and Mysore. The survey for the most backward district in West Bengal—Purulia—is being undertaken under the

auspices of the IDBI by a team of technical and economic experts from the Jadavpur University. A survey of industrial possibilities of the 'subsidy tract' of Rayalaseema was also carried out by a team under the guidance of the Andhra Pradesh SFC. Each financial institution, which is a member of the Inter-Institutional Group, is being induced to take responsibility for identifying project ideas and the subsequent follow-up work in at least one district in a State.

#### *Discussions at State Level*

41. The survey report for each concerned State is to be discussed with the officials/representatives of the State Government/State level financial institutions and other industrial interests for the selection of project ideas that seem *prima facie* viable. Such discussions have already taken place in Assam, Jammu & Kashmir, Bihar and Orissa. The discussions with other States will be concluded before December 1972.

#### *Feasibility Studies Initiated*

42. The IDBI with the assistance of other term-lending institutions has already arranged for preliminary feasibility studies of some project ideas identified by the study teams for Assam, Arunachal Pradesh, Bihar and Tripura. These reports are likely to provide enough material for taking a *prima facie* decision by a promoter with regard to any project. The preliminary feasibility studies with regard to the other identified project ideas are being undertaken.

#### *Search for Entrepreneurial/Managerial Talents*

43. The search for potential entrepreneurs is also engaging the attention of IDBI and the latter has suggested suitable entrepreneurial/managerial training programmes for potential entrepreneurs in some States. Further, the IDBI is in touch with the SIDCs in some States as well as some Industrial houses for undertaking the implementation and management of some identified projects in the joint sector and providing on-the-job training to potential managers who could take over the management function after a stated period of time.

#### *Inter-Institutional Group at the State Level*

44. To facilitate the work relating to these various facets of the project cycle as also to undertake the task of identifying project ideas on a continuing basis, the idea of an Inter-Institutional Group at the State level has been adopted. This Group comprises the all-India term-financing institutions, the State-level institutions like the SFC, the SIDC and the concerned lead banks. Such Inter-Institutional Groups have already been formed in Kerala, Andhra Pradesh, Jammu & Kashmir, Assam, Bihar, Orissa, West Bengal and Uttar Pradesh. They will be formed in other States in the next few months.

#### *Establishment of TCSC in Kerala*

45. In Kerala, the Inter-Institutional Group has sponsored a Technical Consultancy Service Centre (TCSC) for assisting it with regard to the various aspects of project work. The IDBI has taken the initiative in establishing this Centre which is called the Kerala Industrial and Technical Consultancy Organisation (KITCO). It is envisaged that such Technical Consultancy Service Centres would also be started in some other places.

#### *Other Promotional Ideas Discussed at State-level Seminars*

46. Seminars conducted in some of the States focussed the need for (a) entrepreneurial/managerial training programmes appropriate for the nature of potential entrepreneurs/managers in the State concerned, (b) continuous studies of assisted projects preferably by a centre established by a university in the State, (c) a development centre in each district to serve as a nucleus for the

provision of technical, marketing and credit facilities to small farmers and small entrepreneurs, and (d) provision of managerial and technical assistance by industrial houses and financial institutions for such district development programmes which can have a wide pervasive impact on living standards, nutrition, employment and incomes in a given district.

47. The first such seminar was organised in Trivandrum at the request of some Government officials and academicians who showed keen interest in the ideas outlined earlier. Under similar circumstances, the next seminar was organised in Hyderabad. Later, such seminars were organised in Srinagar, Shillong, Patna and Bhubaneswar at the time of the discussion held with each respective Government with regard to the project ideas suggested in the survey reports. Such seminars were held recently in Kampur and Calcutta.

#### *List of Consultants and Professional Managers*

48. The IDBI in consultation with the other term-lending institutions has prepared a list of available technical consultancy services in the country and this has been sent to all the financial institutions including banks and SFCs. This will facilitate the work of the institutions in the field of preparation of preliminary feasibility studies and detailed project reports as well as the task of project supervision. A list of professional managerial personnel from various institutions and industrial concerns who are prepared to assist new projects in backward areas is being prepared.

### E. TASKS AHEAD

#### *Progressive Intensification of Promotional Functions*

49. An important task of the IDBI in the next few years would be, as indicated in the previous year's Report, related to the new initiatives it has taken with regard to its promotional role and function. For ensuring the continuity of the work relating to the various stages of the project cycle beginning from identification of project ideas, it would be essential to set up Inter-Institutional Groups in all the States and ensure their active functioning. For the Group to play an effective role, it may be essential to set up in some backward States TCSCs on the pattern of the KITCO in Kerala. Other institutional mechanisms like entrepreneurial training programme, development centre and area development corporation for intensive district development would be necessary and the concerned State Governments would have to be induced to set up the mechanism with the assistance of the Inter-Institutional Group.

#### *Constraint Relating to Managerial Talent*

50. The main problem is likely to be with regard to management of identified projects. In view of the lack of experienced managerial personnel in several States, some way of harnessing the available talents for the purpose of project implementation and on-the-job training of potential entrepreneurs/managers would have to be found. Established industrial houses are being approached for the purpose to ensure effective management of identified projects in the joint sector and effective training of managerial personnel who could take over the management function from them, within a stated period. Further, these houses are being persuaded to identify small-scale project ideas in the fields that are ancillary to their own large projects and induce and assist new entrepreneurs to undertake them with the support of the financial institutions. Entrepreneurial/managerial talents are scarce and it would not be desirable to let the available talents fritter away in inactivity; they need to be tapped and harnessed to attain the social objectives of developing latent talents in potential entrepreneurs/managers. Again, the industrial houses as well as the lead banks should be induced to make available managerial/entrepreneurial talents with them for the purpose of identifying and im-

plementing such project complexes in the district as have perceptible impact on employment, living standards, nutrition and incomes. These project complexes should be related to traditional skills and occupations that can be upgraded with the assistance of managerial/entrepreneurial talents from the modern sector without involving large capital or foreign exchange expenditure.

#### *Extension of the Co-ordination Function*

51. For sound and effective promotional work, it is essential to strengthen and co-ordinate the activities of the various State-level institutions. IDBI is trying to play a catalytic role in this field as is indicated earlier. These efforts would have to continue for quite some time.

#### *Machinery for Project Supervision Relating to Complex Cases*

52. With the growing number of assisted projects and the complexity of the task of effective project supervision, it may be necessary to initiate action with regard to the setting up of effective machinery for the purpose of detailed study and supervision of difficult and complex projects that are likely to face some problems. This problem of supervision, identification of problem areas, and suggesting a proper solution has arisen in a few cases and is likely to grow in dimension in the near future.

#### *Export Finance*

53. In the field of export finance, the IDBI will have to widen its functions and provide facilities that were not contemplated earlier. Appropriate amendments to the IDBI Act are proposed and these amendments will enable the IDBI to play the role of leadership in the various fields relating to financing of exports of capital and engineering goods and services, joint ventures and turn-key jobs abroad. Even at present, the IDBI has evolved a machinery for effective co-ordination of the activities of the institutions in this field. With the proposed widening of the IDBI function, this machinery would be helpful for tackling the various problems relating to the field of long-term financing for exports of capital and engineering goods.

### OPERATIONS : 1971-72

#### *Overall Position*

55. About 45 per cent of the assistance sanctioned during their utilisation by the assisted concerns recorded a substantial increase, taking the annual outturn to a level much higher than any recorded hitherto. Table 3 brings out the trend in IDBI's overall operations since its inception in July 1964. The particulars of assistance sanctioned and utilised are given in Table 4. The bulk of the improvement during 1971-72 was brought about by an upswing in sanctions in respect of direct assistance to industry, re-finance of industrial loans and rediscounting of machinery bills.

TABLE 3—TRENDS IN IDBI'S OPERATIONS  
1964-65 TO 1971-72

July-June	(Rs. crores)	
	Sanctions*	Cash utilisation
1964-65	48.6	28.0
1965-66	62.5	51.1
1966-67	59.1	59.3
1967-68	39.8	44.7
1968-69	63.1	48.7
1969-70	62.3	52.3
1970-71	131.3	79.8
1971-72	168.0	94.5

\*Excluding guarantees.

55. About 45 per cent of the assistance sanctioned during the year comprised indirect finance in the form of re-financing of industrial loans and rediscounting of machinery bills while about 40 per cent represented direct project assistance. Export finance which accounted for about 19 per cent of total assistance sanctioned in 1970-71 dropped to 13 per cent. The impetus to investment activity in the small-scale sector of industry and the consequent expansion in financial assistance by the SFCs to this sector led to an increased resort by them to IDBI's refinance.

56. The main highlights of operations during 1971-72 are :

(i) Aggregate assistance sanctioned (excluding guarantees) during 1971-72 at Rs. 168.0 crores was 28 per cent higher than during 1970-71. The number of applications against which assistance was sanctioned increased from 1636 in 1970-71 to 2290.

(ii) The best performance of the year was under the Bills Rediscounting Scheme. This Scheme gathered considerable momentum and the amount of bills rediscounted at Rs. 45.3 crores was 59 per cent higher than the figure in the previous year.

(iii) Sanctions under Direct Assistance to Industrial Concerns (other than for exports) rose from Rs. 47.3 crores in respect of 40 applications to Rs. 65.9 crores in respect of 56 applications.

(iv) Sanctions under Refinance of Industrial Loans reached Rs. 30.6 crores covering 2003 applications compared to Rs. 24.5 crores for 1406 applications during 1970-71.

(v) The sanction of Export assistance in the form of direct loans has increased over the 1970-71 level, while the sanction of refinance has fallen below that level. (In this connection para 78 on page 18 may also be seen).

(vi) Cash utilisation of assistance during 1971-72 at Rs. 94.5 crores was 18 per cent higher than in 1970-71. The bulk of the increase occurred under direct assistance to industrial concerns and the machinery bills rediscounting scheme.

57. The trends in IDBI's sanctions of assistance and utilisation by industrial concerns in each of the years since inception upto 1971-72 are indicated in Annexures I(A) and I(B). A detailed review of IDBI's operations during 1971-72 under its various schemes of assistance is presented in the paragraphs that follow.

### DIRECT ASSISTANCE TO INDUSTRIAL CONCERNS (OTHER THAN EXPORTS)

#### *Operational Policies*

58. Mention was made in the previous Report of the acceptance by the Government of India of the recommendations of the Industrial Licensing Policy Inquiry Committee and the issue of detailed guidelines regarding conversion into equity of a part of loans given by the IDBI and other all-India term-financing institutions. The IDBI has accordingly started imposing a condition in loan agreements regarding the right of conversion of a part of the loan into equity in all those cases which satisfy the requirements of the guidelines. Upto the end of June 1972, conversion clauses were imposed in respect of 43 cases. The period during which the conversion option could be exercised has not been reached in any case.

59. Steps have also been taken for having active participation in the management of assisted industrial concerns, which are the recipients of substantial assistance from term-financing institutions. In all direct assistance cases, the IDBI invariably takes the power to nominate one or more directors on the boards of assisted concerns. Upto the end of June 1972, nominee directors have been



TABLE 4—ASSISTANCE SANCTIONED (EFFECTIVE) BY THE IDBI AND UTILISED BY ASSISTED CONCERNS DURING 1971-72 AND 1970-71 (JULY-JUNE)

(Amount in crores of rupees)

Type of Assistance	Assistance Sanctioned (Effective)						Assistance Utilised		
	1971-72		1970-71		July 1964 to June 1972		1971-72	1970-71	July 1964 to June 1972
	No.	Amount	No.	Amount	No.	Amount	Amount	Amount	Amount
1	2	3	4	5	6	7	8	9	10
1. Direct loans to industrial concerns (other than for exports)	35	51.3	26	40.7	144	194.2	9.6	4.9	99.2
2. Underwriting of and direct subscription to shares and debentures of industrial concerns	21	14.6	12	4.0	121	41.3	1.8	3.7	21.4
3. Refinance of industrial loans	2003	30.6	1406	24.5	5088	151.8	24.0	21.2	142.1
4. Rediscounting of bills	204	45.3	152	28.5	277	135.2	38.3	24.3	115.3
Total of 1 to 4	2263	141.8	1596	97.7	5630	522.4	73.7	54.2	378.1
5. Direct loans for exports	12	19.3	16	11.3	44	48.4	10.2	12.0	25.1
6. Refinance of export credits	11	3.3	18	13.7	56	27.2	4.8	9.9	21.4
Total of 1 to 6	2286	164.3	1630	122.7	5730	598.1	88.7	76.0	424.6
7. Subscriptions to shares and bonds of financial institutions	4	3.7	6	8.6	20	36.6	5.8	3.8	33.9
Total of 1 to 7	2290	168.0	1636	131.3	5750	634.7	94.5	79.8	458.5
8. Guarantee for loans and deferred payments	—	—	2	2.6	13	26.9	—	—	19.1*
9. Export guarantees	—	0.1†	2	1.1	3	1.8	0.1*	1.2*	1.7*

Notes : (1) The number of applications in respect of item 4 relates to the number of manufacturers and in respect of item 7, to the number of financial institutions.

(2) Figures in this and subsequent tables/annexures may not add up to the totals due to rounding off.

\*Guarantees executed.

†Enhancement of sanction.

appointed on the boards of 44 assisted concerns. A panel of suitable persons for nomination as directors on the Boards of assisted concerns has been prepared by the IDBI in consultation with other financial institutions and this panel has been referred to Government for obtaining their suggestions/observations.

#### Nature of Assisted Projects

60. Of the 37 projects covering 56 applications to which direct assistance was sanctioned during 1971-72, 23 projects envisaged the setting up of new capacities or expansion of the existing capacities, while assistance in respect of 10 concerns was for relieving the strain on their financial position and/or for meeting the overrun in the project cost. Assistance in respect of the remaining 4 projects was for financing their modernisation, diversification and rehabilitation schemes.

61. Of the new projects assisted, eight were in the 'Core' sector of industries. These include the fertiliser projects of Southern Petro-Chemicals Industries Corporation Ltd. and Mangalore Chemicals & Fertilizers Ltd. which envisage installation of capacity for 4.06 lakh tonnes of nitrogenous and 90,000 tonnes of phosphatic and potash fertilisers. An entirely different type of project in the 'Core' sector assisted by the IDBI is the tractor manufacturing project of Punjab Tractors Ltd. This project, promoted by Punjab State Industrial Development Corporation, will, to some extent, fill the gap in the medium range of tractors (20-30 H.P.). IDBI

also assisted five units for the manufacture of steel and alloy steels which at present are, to a large extent, being imported.

62. Other companies to which IDBI's direct assistance was made available include Seven Seas Transportation Ltd. set up for acquisition of bulk carriers; Bolani Ores Ltd., which envisages opening of new ore body in a backward area of Orissa State; Excel Glasses Ltd., a Company in the joint sector—for its hollow-ware manufacturing unit near Alleppey, a backward district in Kerala; Modi Rubber Ltd. for the manufacture of automobile tyres and tubes; and Shriram Bibres Ltd. for its project for the manufacture of Nylon-6 tyre yarn and cord fabric.

63. IDBI's assistance was also provided to finance a major programme of replacement, modernisation and diversification undertaken by TISCO and for the diversification scheme of Vardhman Spg. & Wvg. Mills for the manufacture of steel ingots.

64. During 1971-72, two rehabilitation schemes, namely, of the Ashok Paper Mills Ltd. and the Standard Motor Products of India Ltd. were assisted by IDBI. The Scheme of Ashok Paper comprises setting up of pulp and paper plant in the backward States of Assam and Bihar and IDBI assistance was given largely to salvage the large investments already made. In the other case, IDBI assistance was largely meant to enable the company to restore its eroded production capacity.

TABLE 5—DIRECT FINANCIAL ASSISTANCE SANCTIONED DURING 1970-71, 1971-72 AND SINCE INCEPTION

(Rs. crores)

I	2	No. of projects		Assistance sanctioned							
		Total	Those in backward districts	Loan		Underwriting		Guarantee		Total	
				Total	Those in backward districts	Total	Those in backward districts	Total	Those in backward districts	Total	Those in backward districts
3	4	5	6	7	8	9	10	11	12		
1. Assistance to new projects	1970-71	9	1	20.8	11.0	2.4	—	0.9	—	24.1	11.0
	1971-72	18	4	30.5	13.0	10.4	3.5	—	—	41.0	16.5
	Upto June 1972	95	19	94.3	28.0	30.2	8.4	17.1	—	141.6	36.4
Of which, to technician-oriented projects	1970-71	3	—	0.1	—	0.3	—	—	—	0.3	—
	1971-72	3	1	0.7	0.6	0.5	0.3	—	—	1.2	0.9
	Upto June 1972	14	1	1.2	0.6	1.8	0.3	—	—	3.0	0.9
2. Assistance for expansion/diversification	1970-71	6	2	12.8	5.2	—	—	1.7	—	14.5	5.2
	1971-72	6	—	4.2	—	0.1	—	—	—	4.4	—
	Upto June 1972	47	11	47.2	15.5	4.0	1.7	9.8	—	61.0	17.2
3. Assistance for modernisation/rationalisation	1970-71	2	1	3.9	0.2	—	—	—	—	3.9	0.2
	1971-72	3	1	13.8	12.0@	3.7	2.0@	—	—	17.5	14.0
	Upto June 1972	9	2	20.4	12.1	3.7	2.0	—	—	24.1	14.1
4. Supplementary* assistance to industrial concerns	1970-71	14	3	3.2	0.6	0.8	—	—	—	4.0	0.6
	1971-72	10	—	2.8	—	0.3	—	—	—	3.1	—
	Upto June 1972	53	7	32.3	4.9	2.1	—	—	—	34.4	4.9
5. Subscription to rights issue by assisted concerns	1970-71	—	—	—	—	0.7	0.03	—	—	0.7	0.03
	1971-72	—	—	—	—	—	—	—	—	—	—
	Upto June 1972	—	—	—	—	1.2	0.1	—	—	1.2	0.1
Total	1970-71	31	7	40.7	17.0	4.0	0.3	2.6	—	47.3	17.0
	1971-72	37	5	51.3	25.0	14.6	5.5	—	—	65.9	30.5
	Upto June 1972	167	35	194.2	60.5	41.3	12.1	26.9	—	262.3	72.6

@At concessional rate.

\*That is, assistance for (i) meeting overruns in project costs arising from delays in implementation, rise in cost of machinery and building materials, shortfall in estimated cash resources etc.; (ii) relieving strain on cash resources of companies which had earlier utilised working capital funds for acquisition of fixed assets, (iii) financial re-organisation, etc.

65.\*During the year, the IDBI provided additional assistance to 10 assisted projects either for meeting cost overruns or for relieving the strain in financial position or for improving the commercial viability of projects by undertaking expansion-cum-diversification schemes. The projects so assisted include (i) the glass project of the Associated Glass Industries Ltd., which is being set up in Andhra Pradesh, (ii) the paper grade pulp mill of Central Pulp Mills Ltd., (iii) PVC project of Chemicals and Plastics India Ltd., (iv) the project of Siporex India Ltd., for the manufacture of multi-quality pre-fabricated building construction material, (v) the two fertiliser projects sponsored by Orissa Fertilizers & Chemicals Ltd. and West India Chemicals Ltd., (vi) the refractories project of India Fire-bricks & Insulation Co. Ltd., (vii) ossein & gelatine project of Protein Products of India Ltd., and (viii) steel casting project of Gayday Iron & Steel Co. Ltd.

66. The IDBI continued its policy of encouraging *technician-sponsored* projects. It took the initiative in arranging for the finance required by three technician-entrepreneur projects—viz., Globe Steerings Ltd. for manufacture of automotive steering gears; Regal Papers Private Ltd. for high gloss cast coated paper and Indian Dairy Entrepreneurs Agricultural Company Ltd. The last mentioned company which envisages the setting up of an agro-industrial complex comprising a milk plant, multi-purpose agricultural-cum-cattle farm and feed providing mill is promoted by a qualified dairy technologist and is being set up in a backward area of Rajasthan.

#### Assistance to Public Sector Projects

67. During 1970-71, IDBI had sanctioned assistance to three public sector projects in the electrical and engineering industries, which seek to establish new capacities and diversify the existing lines of production. During 1971-72, IDBI sanctioned loan assistance of Rs. 1.8 crores for financing the Rs. 10 crore expansion project of Travancore Cochin Chemicals Ltd., a Kerala Government concern. This project envisages the expansion of the Company's caustic soda/chlorine manufacturing capacity from 33,000 tonnes/annum to 66,000 tonnes/annum and sodium sulphide from 600 tonnes/annum to 1300 tonnes/annum.

68. The details of IDBI's direct financial assistance sanctioned to units in the public and private sectors during 1971-72 are shown in Table 5. A list of projects to which assistance was sanctioned during the year is given in Annexure II.

69. During the eight years from July 1964 to June 1972, the IDBI has sanctioned assistance to 167 projects involving a total project cost of Rs. 1468 crores. Total direct assistance sanctioned amounted to Rs. 262.3 crores accounting for 18 per cent of the project cost. About 53 per cent of the assistance (Rs. 141.6 crores) was for 95 new projects. IDBI also assisted during this period 47 schemes of expansion and diversification for a total amount of Rs. 61.0 crores. Fifty-three projects received supplementary assistance to the tune of Rs. 34.4 crores.

70. About 28 per cent of the total direct assistance sanctioned was in respect of 35 projects located in *backward district/areas*. About one-half of this assistance has gone to new projects set up in such areas. This includes assistance sanctioned even prior to the introduction of the scheme of concessional assistance to projects in backward areas.

71. The size-wise classification of IDBI's direct assistance during 1971-72 and since inception and the classification of assisted projects according to size of the project are given in Tables 6 and 7, respectively.

#### Project Supervision

72. In order to satisfy that the assisted concerns are implementing their projects according to the planned programmes and that the affairs of the companies are conducted efficiently and profitably and with a view to ascertaining the reasons for divergence, if any, between the anticipated and actual outturn, the IDBI calls for periodical progress reports. Besides the scrutiny of the progress reports and balance sheets, visits are also undertaken to project sites for visual verification of the progress made and discussion with the executives in charge of project implementation and operation. During 1971-72, visits and inspections were undertaken in respect of 44 concerns.

73. The IDBI has also appointed its nominee directors in forty-four companies. For the time-being, such nominations have been made in respect of those companies where this is considered specially desirable to have IDBI nominated directors either because of the magnitude of assistance or special problems faced by the units. After the Panel of Directors, to which, a reference has been made earlier, is finalised and as it becomes possible gradually to spare more IDBI officers as institutional directors, it is expected that IDBI would be represented in greater numbers on the boards of the companies assisted by it.

TABLE 6—SIZE-WISE CLASSIFICATION OF DIRECT ASSISTANCE SANCTIONED

Size of assistance	1970-71		1971-72		July 1964 to June 1972	
	No. of projects	Percentage to total assistance	No. of projects	Percentage to total assistance	No. of projects	Percentage to total assistance
1	2	3	4	5	6	7
1. Upto Rs. 5 lakhs	1	0.3	1	0.1	19	0.3
2. Rs. 5 lakhs—Rs. 25 lakhs	12	3.7	10	2.9	41	2.2
3. Rs. 25 lakhs—Rs. 50 lakhs	7	6.7	8	5.3	29	4.5
4. Rs. 50 lakhs—Rs. 100 lakhs	2	3.8	9	9.7	26	7.6
5. Rs. 100 lakhs—Rs. 200 lakhs	1	3.1	4	9.8	22	12.7
6. Rs. 200 lakhs—Rs. 500 lakhs	5	35.0	2	9.1	17	21.5
7. Above Rs. 500 lakhs	3	47.4	3	63.1	13	51.2
Total	31	100.0	37	100.0	167	100.0
(Amount of Assistance : Rs. crores)		(47.3)		(65.9)		(262.3)

TABLE 7—SIZE-WISE CLASSIFICATION OF PROJECTS ASSISTED BY THE IDBI SINCE ITS INCEPTION IN JULY 1964 UPTO JUNE 1972

Size of project	No. of projects*	Project cost (Rs. crores)	Assistance sanctioned (Rs. crores)	Percentage of (4) to (3)
(1)	(2)	(3)	(4)	(5)
Upto Rs. 0.5 crore	15	5.3 (0.3)	1.6 (0.6)	29.6
Rs. 0.5 crore—Rs. 1 crore	23	17.1 (1.1)	4.7 (1.8)	27.4
Rs. 1 crore—Rs. 2 crores	35	50.9 (3.5)	10.0 (3.8)	19.6
Rs. 2 crores—Rs. 5 crores	38	130.9 (8.9)	28.5 (10.9)	21.8
Rs. 5 crores—Rs. 10 crores	25	187.5 (12.8)	43.2 (16.5)	23.1
Rs. 10 crores—Rs. 20 crores	14	184.4 (12.6)	49.2 (18.8)	26.7
Rs. 20 crores—Rs. 50 crores	6	175.9 (12.0)	22.5 (8.5)	12.8
Above Rs. 50 crores	10	716.0 (48.8)	102.6 (39.1)	14.3
Total	166	1468.0 (100.0)	262.3 (100.0)	17.9

Note : Figures in brackets indicate percentages to total.

\* Excludes one project for which only guarantee assistance was sanctioned by the IDBI.

74. While the primary function of termfinancing institutions is to provide financial assistance to industrial units, their responsibility does not end with the sanction and disbursal of assistance. It is necessary to keep a close watch over the implementation of the projects and to see that the projects go on stream as scheduled. It has been the experience of IDBI that in spite of careful planning and caution taken in the initial stages, unforeseen problems and difficulties arise in the execution of many projects, which result in delays and cost overruns. In certain cases, this phenomenon is attributable to inadequate and inefficient management. The IDBI, in close liaison with other lending institutions has been taking effective steps to solve the problem of management and finance of such units.

75. Three of the assisted concerns which had stopped their manufacturing operations due to financial difficulties received special attention during the year. All of them have resumed production and this was achieved in one case by change of management and in the others by strengthening the management set-up by induction of professional and experienced executives at the top level. The changes were made with the concurrence of the participating institutions. To two of the concerns, additional assistance by way of term loans was also sanctioned.

#### EXPORT ASSISTANCE

76. IDBI assists the country's export efforts by providing finance under its two schemes (i) refinance of medium-term export credits granted by eligible banks to exporters of capital and engineering goods and services and (ii) direct loans and guarantees for export of such goods and services in participation with approved commercial banks. The magnitude of IDBI's export finance assistance under the two schemes during 1970-71 and 1971-72 is given in Table 8.

TABLE 8—IDBI'S ASSISTANCE FOR EXPORTS

	(Rs. crores)		
	1970-71	1971-72	Since inception in July 1964 to June 1972
<i>Direct Export Loans</i>			
Sanctions	11.3	19.3	48.4
Utilisation	12.0	10.2	25.1
<i>Refinance of Export Credit</i>			
Sanctions	13.7	3.3	27.2
Utilisation	9.9	4.8	21.4
<i>Guarantees</i>			
Sanctions	1.1	0.1	1.8
Executed	1.2	0.1	1.7
<i>Total Export Assistance</i>			
Sanctions	26.1	22.7	77.4
Utilisation and Guarantees Executed	23.1	15.1	48.2

77. During the year, IDBI sanctioned 12 applications for post-shipment loans totalling Rs. 19.3 crores in respect of exports of railway wagons to Yugoslavia, steel rails to Argentina, boilers and ancillary plants to Malaysia, textile machinery to Egypt, Iran and Sudan and transmission line tower, ACSR and copper conductors to Iran and Thailand. IDBI's assistance formed about 63 per cent of the total credits extended for these export transactions and the balance came from commercial banks. Details of direct export assistance sanctioned during the year are given in Annexure III.

78. The magnitude of refinance of export credits sanctioned during the year was lower at Rs. 3.3 crores compared to Rs. 13.7 crores during 1970-71. The reduction may be attributed to—

(a) the banks being in a comfortable position with regard to funds not resorting to refinance on the same scale as in 1970-71;

(b) the exporters availing themselves of cheaper direct export credit from the IDBI in participation with the banks; and

(c) difficulty relating to shipping space in the context of Indo-Pakistan hostilities.

79. Since inception upto the end of June 1972, the IDBI has sanctioned export finance (excluding guarantees) of the order of Rs. 75.6 crores comprising 58 per cent of the value of term export orders financed by IDBI and banks. The various types of engineering and capital goods exports financed by the IDBI include railway wagons, steel rails and bars, railway equipment, transmission line towers and conductors, textile machinery, automobile and spares, diesel engines, sugar mill machinery, etc. More than 60 per cent of the export finance by the IDBI was in respect of exports of engineering and capital goods to Iran, Yugoslavia and Egypt. The country-wise and commodity-wise classification of IDBI's export assistance since inception upto the end of June 1972 is given in Annexure IV.

80. In recent months, IDBI is being increasingly called upon to advise the exporters on various problems relating to the financial aspects of the bids being submitted abroad and the financial implications of the export contracts. IDBI actively assists exporters in finalising their bids and in carrying out their negotiations with the importers abroad. The Export Department in the IDBI has established close and active liaison with commercial banks, Reserve Bank of India, Export Credit and Guarantee Corporation Ltd., Ministry of Foreign Trade and various international agencies to promote and finance exports of engineering goods and services from India.

81. Reference has already been made to the constitution of the two Groups, viz., the Informal Consultative Group and the *Ad hoc* Working Groups for providing guidance to exporters who approach the IDBI and the banks for term finance and to facilitate decision-making with regard to applications for export finance. The Consultative Group, which met three times during the year to discuss broad questions relating to term export

finance, has set up during the year four Sub-Groups to deal with the problems relating to (a) 'buyers' credit, (b) appraisal criteria for export credit, (c) rediscounting of export bills with foreign banks and/or international institutions and (d) co-ordination machinery for export credit. The first Sub-Group on Buyers' Credit has already submitted its report and steps are being taken to initiate follow-up action on the recommendations. During the year six *Ad hoc* Working Groups were constituted and they met periodically to assess the progress in the implementation of the relative contracts and in tackling problems connected with the execution of the contracts.

## REFINANCE ASSISTANCE TO BANKS AND STATE FINANCIAL CORPORATIONS

### Magnitude of Refinance Assistance

82. Refinancing of industrial loans to banks and State Financial Corporations (SFCs) is a major item of IDBI's operations accounting for about 24 per cent of the total assistance sanctioned. The IDBI's operations under the scheme during 1971-72 showed a substantial rise both in the magnitude of assistance sought and the assistance sanctioned. Assistance sanctioned during the year amounted to Rs. 30.6 crores, for exceeding the level reached in any of the earlier years. The number of applications against which assistance was sanctioned also showed a marked rise (Table 9).

### Institution-wise Classification of Assistance Sanctioned

83. The institution-wise break-down of refinance assistance shown in Table 10 brings out a declaration in the magnitude of assistance availed of by commercial banks. Refinance sanctioned to commercial banks which accounted for about 83 per cent of the total refinance in 1964-65 has gradually declined since then and accounted for only about 18 per cent in 1971-72. During the same period, SFCs have availed of refinance on an increasing scale consistent with an accelerated rise in their loan operations. Refinance to SFCs accounted for about 82 per cent of the total refinance sanctioned by the IDBI during 1971-72 compared to 70 per cent in 1970-71.

TABLE 9—REFINANCE OF INDUSTRIAL LOANS

(Amount in crores of rupees)

	1971-72 (July-June)		1970-71 (July-June)	
	No.	Amount	No.	Amount
1. Applications received .. .. .	2775	49.3	1968	39.6
2. Applications sanctioned* .. .	2194	32.2	1552	26.2
3. Applications pending consideration (end of period) .. .	550	21.6	378	14.7
4. Net effective sanctions .. .	2003	30.6	1406	24.5
5. Refinance utilised .. .		24.0		21.2
6. Repayment of refinance .. .		16.4		15.1
7. Applications rejected/withdrawn/returned .. .	409	10.2	344	13.1
8. Amount outstanding (end of period) .. .		73.9		66.3
9. Unutilised sanctions (end of period) .. .		20.8		16.4

\*Gross sanctions.

TABLE 10—INSTITUTION-WISE BREAK-DOWN OF INDUSTRIAL LOANS REFINANCED

(In crores of rupees)

	1971-72		1970-71	
	Amount sanctioned*	Amount utilised	Amount sanctioned*	Amount utilised
Commercial Banks .. .	5.9 (18.3)	7.0 (29.2)	7.5 (28.6)	5.6 (26.4)
State Co-operative Banks .. .	—	—	0.3 (1.2)	0.3 (1.4)
State Financial Corporation .. .	26.3 (81.7)	17.0 (70.8)	18.4 (70.2)	15.3 (72.2)
	32.2	24.0	26.2	21.2

Note : Figures in brackets indicate percentages to total.

\*Gross sanctions.

*Assistance to Small-Scale and Transport Sectors*

84. The bulk of the refinance assistance was in respect of small-scale industrial units and small road transport operators. Assistance sanctioned to these units which was Rs. 2.6 crores in 1968-69 rose to Rs. 13.8 crores in 1970-71 and further to Rs. 21.2 crores in 1971-72. There has also been a progressively wider geographical dispersal of this assistance in the past few years (Table 11).

**TABLE 11—REFERENCE OF LOANS TO SMALL-SCALE INDUSTRIES AND SMALL ROAD TRANSPORT OPERATORS**

	1969-70	1970-71	1971-72
<b>A. Small-scale Industries</b>			
Number of districts covered	95	152	204
Refinance Sanctioned :			
Number of Applications	227	704	1074
Amount (Rs. lakhs)	340	1101	1716
<b>B. Small Road Transport Operators</b>			
Number of districts covered	39	96	109
Refinance Sanctioned :			
Number of applications	542	607	810
Amount (Rs. lakhs)	242	283	401
<b>C. Total Refinance Sanctioned (A+B)</b>			
Number of applications	769	1311	1884
Amount (Rs. lakhs)	582	1384	2117

85. The size-wise classification of refinance assistance sanctioned during 1971-72 is given in Table 12.

**TABLE 12—SIZE-WISE CLASSIFICATION OF REFINANCE OF INDUSTRIAL LOANS SANCTIONED DURING 1971-72**

	(Percentage to total amount)	
Size of Refinance Assistance	1971-72	1970-71
Less than Rs. 1 lakh	22.8	18.8
Rs. 1 lakh to Rs. 2 lakhs	14.6	12.4
Rs. 2 lakhs to Rs. 6 lakhs	25.5	23.6
Rs. 5 lakhs to Rs. 10 lakhs	21.1	18.1
Rs. 10 lakhs to Rs. 25 lakhs	13.8	11.4
Rs. 25 lakhs to Rs. 50 lakhs	2.2	12.6
Rs. 50 lakhs to Rs. 100 lakhs	..	3.1
	100.0	100.0
(Amount of assistance : Rs. crores)	(32.2)	(26.2)

\*Gross sanctions.

### REDISCOUNTING ASSISTANCE

#### *Nature and Magnitude of Rediscount Assistance*

86. IDBI's scheme for rediscounting of bills/promissory notes covering sales of indigenous machinery on deferred payment basis has continued to gain increasing popularity apparently because of the simplicity of the scheme's mechanism. The scheme has been of special assistance to many industries in modernising and expanding their equipment. The amount of bills rediscounted has progressively risen from Rs. 2.2 crores in 1965-66 to Rs. 28.5 crores in 1970-71 and Rs. 45.3 crores in 1971-72.

87. The step-up in the rediscounting of bills was attributable to the availment of facilities to a larger extent by textile industry (Rs. 22 crores in 1971-72 as against Rs. 15 crores in 1970-71) and public utilities, particularly

State Electricity Boards (Rs. 9.4 crores in 1971-72 compared to Rs. 3.6 crores in 1970-71). Rediscounting assistance to the purchaser-users in the public sector amounted to Rs. 14.8 crores upto the end of June 1972. The industry-wise analysis of the purchaser-users of machinery is given in Table 13.

**TABLE 13—INDUSTRY-WISE BREAK-DOWN OF REDISCOUNT ASSISTANCE DURING 1971-72 AND 1965-72**

(Percentage to total assistance)			
Purchaser-user Industry	Bills rediscounted (face value)		
	1970-71	1971-72	April 1965 to June 1972
1. Agro-Industries	0.7	0.1	0.4
2. Cement	1.0	0.01	1.3
3. Textiles (other than Jute)	52.0	49.0	55.9
4. Jute	1.7	0.3	2.6
5. Mining	4.8	7.2	4.3
6. Paper	0.1	—	1.1
7. Sugar	1.6	2.3	4.0
8. Oil (Solvent Extraction Plants)	6.0	2.4	3.7
9. Electrical Machinery	5.8	15.6	7.0
10. Glass	0.3	0.1	0.1
11. Film	0.2	0.1	0.1
12. Transport (including automobile engineering)	5.1	8.0	4.5
13. Engineering	17.2	10.5	11.6
14. Others	3.5	4.4	3.4
TOTAL	100.0	100.0	100.0
(Amount of assistance : Rs. crores)	(28.5)	(45.3)	(135.2)

88. During the year, the IDBI adopted some measures with a view to preventing the misuse of assistance available under the scheme, without, in any way, affecting the simplicity of its operation. For this purpose, approved institutions have been asked to furnish certificates to the effect that the machinery covered by the bills/promissory notes was despatched before discounting the bills/promissory notes. The institutions were also advised to obtain clearance from IDBI for cases involving delays beyond two months in discounting bills from the date of despatch of the relative machinery.

89. With a view to avoiding utilisation of the Rediscounting Scheme for setting up of a new project involving a large capital outlay and thus avoiding the discipline involved in the sanction of direct loans, the annual limit available to purchaser-users in the private sector for setting up of such projects has been restricted to Rs. 50 lakhs inclusive of interest, for the entire project instead of the present limit of Rs. 50 lakhs for each limit year. The restriction, however, does not apply to schemes of expansion/modernisation by existing industrial units.

### SUBSCRIPTIONS TO SHARES AND BONDS OF OTHER FINANCIAL INSTITUTIONS

90. Apart from providing refinance and rediscounting facilities to other financial institutions, the IDBI, as a purveyor of supplementary resources, also helps to strengthen their financial position through subscriptions to their share capital and bond issues. Although 15 SFCs floated bonds in the market during 1971-72 for a sum of Rs. 15.8 crores, these were closed without resort to IDBI's help excepting in the case of Maharashtra SFC bonds, 1984,

wherein IDBI subscribed to the extent of Rs. 10 lakhs (face value). IDBI subscribed during the year Rs. 70 lakhs to the private issues of additional share capital of Gujarat, Maharashtra and Mysore SFCs, there being no public issue of share capital by any of the SFCs during the year.

91. Since inception, IDBI has subscribed Rs. 5.3 crores (face value) to bond issues and Rs. 2.5 crores to the share capital issues of SFCs.

92. IDBI contributed Rs. 41.3 lakhs to the share capital of Industrial Finance Corporation of India which represented 50 per cent of the increase in its paid-up capital during the year. The IDBI now holds Rs. 4.59 crores in the share capital of the IFCI, i.e. 50 per cent of its paid-up capital of Rs. 9.17 crores as on June 30, 1972. During the year, the IDBI also contributed Rs. 1.8 crores to the special debentures and Rs. 1.4 crores to the third public issue of debentures by Industrial Credit & Investment Corporation of India Ltd. (ICICI), bringing the total IDBI's contribution to ICICI's public and special debentures to Rs. 18.9 crores upto the end of June 1972. With repayment of Rs. 0.8 crore being the instalments of loans taken by ICICI in 1966-67 and 1967-68, IDBI's holdings of ICICI debentures amounted to Rs. 18.1 crores at the end of June 1972. IDBI also contributed its share of 50 per cent\* to the first call of Rs. 2.5 crores made by the Industrial Reconstruction Corporation of India Ltd. (IRCI); during 1970-71, the IRCI had raised share capital of Rs. 2.5 crores. On the setting up of Kerala Industrial & Technical Consultancy Organisation (KITCO) in February 1972, the IDBI contributed 51 per cent to its paid-up capital of Rs. 2 lakhs.

#### INDUSTRY-WISE ANALYSIS OF IDBI'S ASSISTANCE

93. The industry-wise breakdown of IDBI's total assistance to industrial projects during 1971-72 and since inception upto the end of June 1972 is shown in Table 14 (see also Annexure V). The bulk of the assistance sanctioned during the year was in respect of fertilisers and chemicals, basic metal industries such as iron and steel and non-ferrous metals, manufacture of machinery and paper & paper products. These four industries together

\* Excluding 5 per cent subscribed to by IDBI on behalf of the IFCI, pending an amendment of the Industrial Finance Corporation Act which, at present, does not permit such subscription.

accounted for more than 80 per cent of the total assistance sanctioned during 1971-72. Manufacture of machinery and basic industrial chemicals including fertilisers have been the largest recipients of IDBI's assistance so far.

94. Till recently, IDBI's assistance to brewery and winery industry was available only under its scheme of rediscounting of bills for indigenous machinery required for replacement by existing brewery/winery units. During 1971-72, the IDBI took a decision to extend its direct assistance in the form of loans and refinance of industrial loans to existing brewery/winery units for replacement of machinery and also to new units in the public or joint sector of industry. These projects would be accorded low priority and assistance would be on stiffer than usual terms in respect of margin, period of repayment, debt-equity ratio etc. The facility under the bills rediscounting scheme is also not available to new units except for those being set up in the public and joint sectors.

#### STATE-WISE DISTRIBUTION ASSISTANCE

95. The State-wise distribution of IDBI's total assistance during 1971-72 and since inception upto the end of June 1972 is shown in Annexures VI and VII. During the year 1971-72, some of the backward States such as Assam, Bihar, Madhya Pradesh, Orissa and Rajasthan received a substantial portion of the assistance sanctioned. It is significant to note that about 46 per cent of the direct assistance sanctioned during the year was in respect of industrial concerns located in backward areas specified by the Planning Commission. IDBI's assistance sanctioned to the relatively under-developed States/Union Territories, as classified by the Pande Committee, amounted to roughly 25 per cent of the total assistance sanctioned during the period July 1964 to June 1972.

#### Assistance to Backward Areas or Concessional Terms

96. With a view to fostering industrial development in the less developed areas of the country, the IDBI has been operating two schemes of concessional finance: the first is to provide concessional refinance to SFCs/banks in respect of all eligible loans upto Rs. 20 lakhs to small and medium-sized projects in the specified backward areas, and the second relates to direct assistance on concessional terms for setting up projects in backward districts/areas. With a view to extending the benefits of the scheme to expansion schemes of existing units located in backward areas, the IDBI decided in December 1971

TABLE 14—INDUSTRY-WISE CLASSIFICATION OF ASSISTANCE SANCTIONED AND UTILISED DURING 1971-72 AND SINCE INCEPTION IN JULY 1964 TO JUNE 1972

(Percentage to total assistance)

	1971-72		July 1964-June 1972	
	Sanctions	Utilisation	Sanctions	Utilisation
1. Food Manufacturing except beverages .. .. .	2.9	3.5	2.3	2.6
2. Textiles (including Jute) .. .. .	1.0	3.8	7.0	10.1
3. Paper and Paper Products .. .. .	9.7	2.2	5.1	2.3
4. Manufacture of Rubber Products .. .. .	2.5	0.8	1.0	0.5
5. Basic Industrial Chemicals other than fertilisers .. .. .	1.6	0.5	6.4	6.9
6. Other Chemicals and Chemical Products .. .. .	3.6	6.8	4.8	5.1
7. Fertilisers .. .. .	17.2	0.8	13.1	9.0
8. Cement .. .. .	0.1	0.04	2.3	2.7
9. Basic Metal Industries .. .. .				
(a) Iron and Steel Basic Industries .. .. .	13.6	11.2	11.6	8.4
(b) Non-ferrous Metal Basic Industries .. .. .	0.2	0.9	1.9	1.4
10. Metal Products except machinery & transport equipment .. .. .	1.9	3.0	1.5	1.6
11. Manufacture of Machinery except electrical machinery .. .. .	32.0	52.4	30.3	35.9
12. Manufacture of Electrical Machinery Apparatus etc. .. .. .	3.6	3.6	5.6	5.6
13. Manufacture of Transport Equipment .. .. .	1.4	1.1	1.1	1.2
14. Services .. .. .	3.6	4.2	2.2	2.3
(Of which to road transport) .. .. .	(2.4)	(3.4)	(1.6)	(1.7)
15. Others .. .. .	5.1	5.2	3.9	4.4
Total .. .. .	100.0	100.0	100.0	100.0
(Amount of Assistance : Rs. crores)	(164.3)	(88.7)	(598.1)	(424.6)

†Comprising direct loans to industrial concerns, loans for exports, underwriting and direct subscriptions, refinance and rediscounts.

to make available its direct as well as refinance assistance on concessional terms to industrial units undertaking substantial expansion, on the same terms and conditions as are applicable to new projects. For this purpose, expansion is defined as increase in the value of fixed investment of an industrial unit by not less than 25 per cent for the purpose of expansion of capacity, modernisation etc. The concessional direct assistance for the purpose of expansion is available to projects involving additional project costs not exceeding Rs. 50 lakhs; such assistance for bigger expansion projects would be on a selective basis.

97. Since the introduction of the scheme of concessional finance in 1970, upto the end of June 1972, assistance sanctioned on concessional terms amounted to Rs. 17.8 crores—Rs. 14 crores in the form of direct assistance and Rs. 3.8 crores by way of refinance of industrial loans.

#### OUTLOOK AND PROSPECTS : 1972-73

98. From the point of view of development potential, the Indian economy had never before been in a favourable position as it is now. A diversified structure of industry has been built up, design and engineering skills learnt, and entrepreneurial, managerial and technical abilities have grown over the years. There is a substantial under-utilisation of productive capacity in the industrial sector—capacity that can sustain a growth rate in industrial sector of 8-10 per cent per year even without much addition to capacity.

99. Now that the financial institutions have undertaken a more active catalytic role in the development process, it is likely that a number of viable projects, identified by them, would come up for implementation. To facilitate their task, there is a need for an expeditious and effective machinery for obtaining various Government clearances as also a pragmatic approach with regard to the utilisation of entrepreneurial/managerial talents for the implementation of sound projects, particularly in backward areas. It would be indeed a waste of resources, from the economy's point of view, if the talents available with the present business houses are not channelised for the development of backward areas, for supporting new entrepreneurs and for the promotion of exports.

100. Along with the term-lending institutions, the banks and the State-level institutions are also members of the Inter-Institutional Groups formed at the State level at the initiative of the IDBI and they would also be participants in KITCO type of organisations to be set up in the other States. The lead role of the banks in their districts would thus be properly co-ordinated with the promotional role of the other institutions and thus it is likely that a number of viable projects in different fields and of various sizes would be identified and linked to potential entrepreneurs. This activity has already gained momentum in some States and its pace would quicken in the next few years. Thus, from the point of view of financial institutions and from the point of view of the IDBI, there is likely to be a substantial step-up in the assistance required for promoting various types of projects in the industrial sector.

101. Anyway, without taking into account this possible rise in the rate of investment, even on the basis of assistance sanctioned by the term-lending institutions during the last two years, their operations are likely to record considerable expansion during 1972-73.

102. The projection for the IDBI assistance for 1972-73 is made on the basis of assistance sanctioned during 1970-71 and 1971-72 and the requests for assistance which are now before it. On this basis, it appears that the IDBI disbursement will show about 60 per cent rise during 1972-73.

#### Pending Applications

103. A summary of pending applications as at the end of June 1972, under the various heads of assistance is given in Table 15. The amounts of assistance in respect of applications for loans and underwriting assistance also include, in many cases, the participation sought from other term-financing institutions and banks. In the case of export finance too, the amount indicated includes the value of exports of engineering and capital goods in respect of which the IDBI has agreed, in principle, to provide assistance in participation with approved commercial banks.

TABLE 15. SUMMARY OF PENDING APPLICATIONS AS AT THE END OF JUNE 1972

Type of assistance	No. of applications	Amount of assistance sought (Rs. crores)
1. Direct Assistance to Industrial Concerns :		
Loan . . . . .	50*	109.8
Underwriting . . . . .	34*	41.7
Guarantee . . . . .	1*	0.1
2. Refinance of Industrial Loans . . . . .	550**	21.6
3. Export Assistance . . . . .	21†	80.2
4. Rediscounting Assistance . . . . .		3.8
TOTAL . . . . .		257.2

\*In many cases, the assistance sought is in participation with other term-financing institutions (including banks) and the share of the IDBI is not yet indicated.

\*\*Includes as many as 404 applications from small-scale units and small road transport operators; the number of applications pending was roughly 20 per cent of the total applications for refinance received in 1971-72.

†Including 10 cases involving exports of engineering goods and services of the value of Rs. 67.0 crores, in respect of which the IDBI has agreed, in principle, to provide export finance.

104. Applications for direct assistance from IDBI which are pending consideration at the end of June 1972 totalled Rs. 152 crores in respect of 58 projects in textiles, petro-chemical, other basic chemicals including fertilisers, cement, paper and paper products, basic metal industries, electronics etc. involving a total project cost of about Rs. 246 crores. In addition to these, a number of major projects, particularly for the setting up of new units for the manufacture of paper, have made preliminary approaches to the IDBI and other term-financing institutions. Direct assistance sanctioned by the IDBI in the earlier years constituted about 15-20 per cent of the project cost and on the same basis, it is estimated that the sanction of direct assistance by the IDBI in 1972-73 would be of almost the same magnitude as in 1971-72.

#### IDBI Assistance; Projection for 1972-73.

105. Table 16 gives broad indications of IDBI's sanctions and disbursements of assistance during 1972-73, based on the sanctions during the earlier two years, undisbursed sanctions as at the end of June 1972 and applications and significant requests for assistance that are now before the IDBI. It is tentatively estimated that the total sanction of assistance would be of the order of about Rs. 180 crores and total disbursements Rs. 152 crores. The sharp increase in utilisation envisaged under direct assistance is mainly because almost all the important projects which were sanctioned assistance during 1970-71 and 1971-72 are now in various stages of implementation and major disbursements in respect of these projects are expected to be made during 1972-73. The implementation of some of these projects is also expected to be



TABLE 16—ESTIMATES OF SANCTIONS AND UTILISATION OF ASSISTANCE DURING 1972-73  
(JULY-JUNE)

	(Rs. crores)			
	1971-72 (Actuals)		1972-73 (Estimates)	
	Sanctions	Utilisation	Sanctions	Utilisation
1. Loans (other than for exports) .. .. .	51.3	9.6	50.0	40.0
2. Underwriting and Direct Subscriptions .. .. .	14.6	1.8	8.0	3.0
3. Refinance of Industrial Loans .. .. .	30.6	24.0	35.0	30.0
4. Rediscounting of Machinery Bills .. .. .	45.3	38.3	51.0	43.0
5. Export Finance :				
Direct Loans for Exports .. .. .	19.3	10.2	20.0	25.0
Refinance of Export Credits .. .. .	3.3	4.8	10.0	5.0
6. Subscriptions to Shares and Bonds of Financial Institutions .. .. .	3.7	5.8	6.0	6.0
Total .. .. .	168.0	94.5	180.0	152.0

speeded up in order to avail of the benefit of development rebate which is proposed to be withdrawn from end-May 1974. In respect of export finance, it is expected that the exports will rise and consequently the magnitude of export finance from the IDBI and banks will go up.

#### SOURCES AND USES OF FUNDS OF THE IDBI

##### Sources of Funds

106. Total cash disbursement of assistance during 1971-72 at Rs. 94.5 crores was fairly close to the estimate of Rs. 105 crores made in the last Annual Report. The net outgo of cash resources, including repayment of loan instalments to Government, at Rs. 49.2 crores was larger than in 1970-71 (Rs. 46.3 crores). Table 17 sets out the principal sources of funds of the IDBI and their contribution to total operational resources during the past two years and since inception of the IDBI upto the end of June 1972: provisional estimates for 1972-73 are also given alongside. Detailed statistics relating to the sources

and uses of funds for each of the years since 1964-65 are given in Annexure VIII.

107. During 1971-72, the paid-up capital of the IDBI, which is wholly subscribed by the Reserve Bank of India, increased to Rs. 40 crores, following further subscription of Rs. 10 crores by the Reserve Bank of India in January 1972. There was no borrowing from the Government of India either in the General Fund or in the Development Assistance Fund (DAF). After repayments of Rs. 4.6 crores to the Government, the outstanding amount of borrowings from Government (including borrowings by the erstwhile RCI) as at the end of June 1972 stood at Rs. 142.1 crores (excluding Rs. 24.4 crores in the DAF). Borrowings from the Reserve Bank's National Industrial Credit (Long Term Operations) Fund during the year amounted to Rs. 37.8 crores bringing the total borrowings from this Fund at the end of June 1972 to Rs. 92.8 crores. The unutilised balance in the Fund stood at Rs. 82.2 crores following the credit of Rs. 40 crores by the Reserve Bank out of its profits for 1971-72.

TABLE 17—PRINCIPAL SOURCES OF FUNDS

	(Rs. crores)			
	1970-71	1971-72	Since inception upto the end of June 1972	1972-73 (Estimates)
1. Increase in paid-up capital and reserves/surplus .. .. .	13.6 (14.0)	13.2 (10.3)	61.4 (11.8)	4.2 (2.4)
2. Borrowings from Government .. .. .	—	—	145.0* (28.0)	—
3. Borrowings from Reserve Bank .. .. .	28.8 (29.8)	37.8 (29.4)	92.8 (17.9)	77.0 (44.4)
4. Borrowings by way of bonds .. .. .	—	12.7 (9.9)	12.7 (2.5)	16.0 (9.2)
5. Repayment of assistance .. .. .	36.9 (38.2)	51.1 (39.7)	188.1 (36.3)	56.8 (32.8)
6. Sale of investment/redemption of debentures .. .. .	0.3 (0.3)	0.8 (0.6)	3.5 (0.7)	2.0 (1.2)
Total (including cash/liquid resources and other items) .. .. .	96.6 (100.0)	128.7 (100.0)	518.1 (100.0)	173.4 (100.0)

Figures in brackets represent percentages to total.

\*Including Rs. 1 crore borrowed by the RCI between July 1964 and August 1964 but excluding Rs. 32.5 crores borrowed by it upto the end of June 1964.

108. As a result of the discontinuance by the Government of the flow of funds to the IDBI since 1969-70, the main sources of funds for the IDBI in the last three years have been (i) repayment of instalments by borrowers (ii) borrowings from the Reserve Bank of India out of the National Industrial Credit (Long Term Operations) Fund and increase in paid-up capital, which is wholly contributed by that Bank. Borrowings from the LTO Fund have been on an increasing scale during the last three years. In order to meet the increased requirements of funds the IDBI entered the market, for the first time, in March 1972 with a bond issue of Rs. 11.5 crores which was oversubscribed within hours. The amount finally subscribed including the permissible excess of 10 per cent was Rs. 12.7 crores.

#### Uses of Funds

109. Table 18 summarises the pattern of IDBI assistance during 1971-72 and since inception upto the end of June 1972. The table brings out the important role played by the IDBI as a purveyor of supplementary resources to other financial institutions. Nearly two-thirds of IDBI's assistance was channelled to the industry through other term-financing institutions and banks mainly in the form of refinancing and rediscounting of bills. The substantial amount of assistance provided by the IDBI in the form of refinance, rediscounts and subscription to shares/bonds of other term-financing institutions

brings out its growing rôle as a catalytic agent in promoting and financing industrial development.

110. The IDBI will have to mobilise larger resources in 1972-73 and subsequent years for operational purposes. Although the net outgo of funds during 1971-72 was larger than in the earlier years, the IDBI did not experience any resources constraint because of larger borrowings from the Reserve Bank of India and from the market. If disbursement of assistance, both direct and indirect, takes place in 1972-73 as anticipated, it is likely to face a resources constraint. It may have to adopt new techniques of resource mobilisation or resort to borrowings on a larger scale from the Reserve Bank and the market. But borrowing from the market would be very much limited in view of the larger requirements of funds of the Government from this source. This is particularly so because of the increase envisaged in public sector investments. In order to sustain the quickening pace of industrial investment in the public and private sectors, therefore, the IDBI will have to think of new avenues of raising resources. Accelerated repayment of loans by assisted units that are doing well is one way; sale of IDBI loans in one form or the other to banks, LIC and UTI would be another. The possibility of discounting of machinery bills and export bills with banks would have to be explored also. Discounting of export bills abroad and loans from international institutions like the World Bank/IDA are measures that would increase country's current foreign exchange resources as well as improve the IDBI's resources position.

TABLE 18—PRINCIPAL USES OF FUNDS

	1970-71	1971-72	(Rs. crores)	
			Since inception upto the end of June 1972	1972-73 (Estimates)
1. Direct of supply of funds by the IDBI to industrial units and for exports.	20.6 (21.3)	21.6 (16.8)	145.7 (28.1)	68.0 (39.2)
2. Supplementing funds of other term-financing institutions and banks in respect of their assistance to industry and for exports.	63.4 (65.6)	79.9 (62.1)	332.8 (64.2)	92.0 (53.1)
3. Repayment of borrowings from Government	3.7 (3.8)	6.6 (5.1)	11.0 (2.1)	8.9 (5.1)
4. Others (including liquid resources and other items)	9.0 (9.3)	20.6 (16.0)	28.6 (5.6)	4.5 (2.6)
Total	96.6 (100.0)	128.7 (100.0)	518.1 (100.0)	173.4 (100.0)

Figures in brackets represent percentages to total.

#### TRENDS IN OPERATIONS OF TERM-FINANCING INSTITUTIONS

##### Trends in Assistance Sanctioned

111. Total financial assistance sanctioned by the term-financing institutions (the IDBI, the IFCI, the ICICI, the IRCI, the SFCs and the SIDCs/SIICs) in 1971-72 (April-March) amounted to Rs. 307.0 crores an increase of 36 per cent over Rs. 225.7 crores in 1970-71. Sanction of substantial assistance by all-India institutions to some of the major projects in the fields of fertilisers, paper,

other basic chemicals, basic metal industries, manufacture of machinery etc., establishment of a specialised institution for nursing the sick units and step-up of assistance by the SFCs to the small-scale sector of industry mainly accounted for the increased. Increased sanction of rupee loans were partly offset by a decline in foreign currency loans. Underwriting operations of term-financing institutions showed an increase of Rs. 10 crores over the 1970-71 level, in keeping with the increase in the new capital issues. Data on the quantum of assistance sanctioned during 1971-72 together with the composition of

TABLE 19—ASSISTANCE SANCTIONED BY TERM-FINANCING INSTITUTIONS AND UTILISED BY ASSISTED CONCERNS DURING 1970-71 AND 1971-72 (APRIL-MARCH)

		1970-71	1971-72	(Rs. crores)	
				Percentage increase/decrease	
Rupee Loans	Sanctions	175.3	255.6	45.8	
	Utilisation	112.2	152.8	36.2	
Underwriting of and Direct Subscription to Shares and Debentures	Sanctions	15.7	25.9	65.0	
	Utilisation	10.7	5.9	-44.9	
Foreign Currency Loans	Sanctions	34.6	25.5	-26.3	
	Utilisation	23.8	23.9	0.4	
Total	Sanctions	225.7	307.0	36.0	
	Utilisation	146.7	182.5	24.4	

assistance are given in Table 10 [Annexure IX(A)]. The magnitude of assistance sanctioned during the year is suggestive of a substantial improvement in the investment climate in the private sector of industry.

#### *Trends in Assistance Disbursed*

112. Aggregate disbursement of assistance was stepped up by 24 per cent from Rs. 146.7 crores in 1970-71 to Rs. 182.5 crores in 1971-72. While disbursements under rupee assistance recorded a sharp increase, there was only a marginal increase in foreign currency loans. [Table 20 and Annexure IX(B)].

TABLE 20—DISBURSALS OF ASSISTANCE BY TERM-FINANCING INSTITUTIONS—1964-65 TO 1971-72 (APRIL-MARCH)

(Rs. crores)				
Year	Rupee assistance disbursed	Foreign currency loans disbursed	Total assistance disbursed	Percentage change over previous year
1964-65	60.8	10.5	71.3	
1965-66	82.9	22.9	105.8	+48.4
1966-67	104.0	21.5	124.6	+18.7
1967-68	90.8	14.2	105.0	-16.4
1968-69	74.8	11.1	85.8	-18.3
1969-70	102.6	13.7	116.3	+35.5
1970-71	122.9	23.8	146.7	+26.1
1971-72	158.6	23.9	182.5	+24.4

113. Table 20 shows the progress of disbursements of assistance by term-financing institutions from 1964-65 to 1971-72. The recovery in the operations of term-financing institutions during the last three years has been very rapid, recording an annual average increase of Rs. 32 crores. The operations of the term-financing institutions indicate their significant role in facilitating a marked increase in investment activity in the private sector of industry.

114. Statistics relating to sources and uses of funds of term-financing institutions for 1971-72 are set out in Annexure X. Particulars relating to purpose-wise, industry-wise and State-wise classification of assistance sanctioned and disbursed by the term-financing institutions during 1970-71 and 1971-72 are shown in Annexures XI, XII and XIII respectively.

#### OPERATIONS IN THE DEVELOPMENT ASSISTANCE FUND\*

115. Since inception upto the end of June 1971, the IDBI had sanctioned assistance out of the DAF to three projects for an aggregate amount of Rs. 33.5 crores, comprising loans of Rs. 25.4 crores and underwriting and subscription to shares of Rs. 3.0 crores, besides deferred payment guarantee for Rs. 5.1 crores.

116. During 1971-72, the Government have approved sanction of assistance from the DAF aggregating Rs. 7 crores (underwriting Rs. 1 crore and loan of Rs. 6 crores) out of the total assistance of Rs. 14 crores (underwriting Rs. 2 crores and loan of Rs. 12 crores) sanctioned to Ashok Paper Mills Ltd. The rehabilitation scheme of this company, as stated earlier, envisages setting up of two pulp and paper plants in Assam and Bihar.

117. While conveying the approval, Government stipulated that in the context of the considerable financial

\*This Fund, which is maintained separately from the IDBI's General Fund, was established in March 1965, in terms of Section 14 of the IDBI Act, to assist, with the approval of the Central Government, specially deserving projects to which banks and other financial institutions are not likely to provide the requisite finance in the ordinary course of business.

resources made by the Government of Bihar, IFCI and other shareholders and several concessions being extended for the Ashok Paper Mills project by way of reduced royalty for bamboo, power tariff, sales tax on intermediate goods and water supplied by the Government of Assam and keeping in view the fact that both the manufacturing units of the company would be set up in the comparatively backward districts of Bihar and Assam selected as backward districts for purposes of granting concessional finance, the financial assistance to the company to be granted out of the DAF should be on concessional terms. Similarly, the IDBI has decided to extend concessional terms such as lower rate of interest of 7 per cent, commitment charge of 1 per cent and underwriting commission of 1½ per cent on share issue as applicable to units set up in backward districts in respect of its portion of assistance to Ashok Paper Mills Ltd.

118. Total assistance sanctioned out of the DAF now totals Rs. 40.2 crores comprising loans of Rs. 31.4 crores, underwriting assistance of Rs. 5.7 crores and guarantee for Rs. 3.1 crores.

119. There was no disbursement of assistance from the DAF or fresh borrowing from the Government for the Fund during 1971-72, so that the total disbursements of assistance and borrowings since inception remained unchanged at Rs. 27.9 crores and Rs. 27.4 crores, respectively. The IDBI repaid during the year instalments aggregating Rs. 1.96 crores to the Government in respect of the loans availed of from the Government in the Fund during 1964-65, 1965-66 and 1966-67. Outstanding borrowings from Government in the Fund stood at Rs. 24.42 crores as on June 30, 1972. The Fund showed a profit of Rs. 87 lakhs during 1971-72 (Rs. 98 lakhs in 1970-71), after transfer of Rs. 4.6 lakhs to the General Fund towards expenses of the administration of the DAF.

#### IFCI, IRCI & KITCO: OPERATIONS

120. Mention was made in the last Report of the initiative taken by the IDBI in promoting the Industrial Reconstruction Corporation of India Ltd. (IRCI). During 1971-72, the Inter-Institutional Group in Kerala, under the leadership of the IDBI, sponsored a Technical Consultancy Service Centre in Kerala called the Kerala Industrial and Technical Consultancy Organisation (KITCO). IDBI's shareholding is 50 per cent in the IRCI and 51 per cent in KITCO. This section briefly reviews the operations of the IFCI, IRCI and KITCO.

#### *Industrial Finance Corporation of India (IFCI)*

121. The operations of the IFCI during the year 1971-72 (July-June) have recorded a substantial rise both in assistance sanctioned and utilisation by the assisted concerns. Assistance (effective) aggregating Rs. 39.2 crores was sanctioned to 65 concerns during the year 1971-72 as against Rs. 34.6 crores (excluding guarantees) sanctioned to 61 concerns in the year 1970-71; no assistance by way of guarantees was sanctioned during the year 1971-72. The sanctions during the year were spread over 15 States and included assistance to 10 co-operative sugar factories to the extent of Rs. 10.0 crores; 4 new projects and one diversification programme of an assisted concern in fertiliser industry to the extent of Rs. 7.7 crores; 6 projects in the iron and steel industry which accounted for Rs. 3.2 crores; 5 projects in paper industry to the extent of Rs. 1.9 crores; 7 projects in electrical machinery, apparatus and appliances manufacturing industry to the extent of Rs. 1.6 crores, besides a number of projects in various other industries like rubber products, metal products, chemicals, textiles, motor cycles, scooters and automobile ancillaries, synthetic fibres, machinery manufacturing, glass and glass products, etc. Of the 68 projects for which assistance was granted during the year, 17 projects involving assistance amounting to Rs. 14.1 crores (about 36 per cent of the total assistance) were located/to be located in the notified back-

ward districts. The assistance disbursed (excluding guarantees) during the year 1971-72 aggregated Rs. 22.0 crores as against Rs. 17.2 crores during the previous year.

122. Assistance sanctioned (effective) by the IFCI since its inception upto the end of June 1972 aggregated Rs. 346.2 crores (excluding guarantees) comprising rupee loans of Rs. 264.3 crores, foreign currency loans of Rs. 47.2 crores, underwriting and direct subscription to shares and debentures of industrial concerns—Rs. 34.7 crores. In addition, it sanctioned guarantee assistance for Rs. 51.7 crores upto the end of June 1972. Of the total sanctions, utilisation of assistance by industrial concerns amounted to Rs. 289.8 crores.

#### *Supervision over the Operations of IFCI*

123. The IDBI continued to exercise supervision over the operations of IFCI, in terms of the provisions of the Industrial Finance Corporation Act. Messrs. Walker, Chandio & Co., New Delhi, who were appointed by the IDBI as Auditors in 1969-70, in terms of Section 34(1) of the IFC Act, continued to act as Auditors of the Corporation for 1971-72 also. There was no change in the nominee directors of the IDBI on the IFCI Board. Besides Dr. V. V. Bhatt, General Manager of the IDBI, Sarvashri G. Ramanujam, F. K. F. Nariman and Dr. Samuel Paul continued to be the nominee directors of the IDBI on the Board of Directors of the IFCI.

*Industrial Reconstruction Corporation of India Ltd. (IRCI)*

#### *Operations*

124. The IRCI which was set up in April 1971 to fortify the institutional structure for the provision of reconstruction and rehabilitation assistance to sick and closed units has made a significant beginning. Since inception upto the end of June 1972, it received applications for assistance from 341 industrial units, of which 317 were from West Bengal. The IRCI had completed study in respect of 181 cases and sanctioned assistance of Rs. 7.44 crores on 48 applications. In addition, the IRCI has arranged assistance of the order of Rs. 5.14 crores from banks for meeting their working capital needs. The employment involved in these 48 units was 38,300.

125. Utilisation of assistance upto the end of June 1972 aggregated Rs. 2.66 crores (inclusive of guarantees) in respect of 30 of the assisted units. Of these, 19 were units which had closed down and 11 were units which were facing threats of closure. Assistance from the IRCI has actually resulted in restoring employment to about 30,000 workers.

126. The lag in sanction and utilisation of IRCI assistance was mainly on account of the various legal and other formalities involved. In several cases, legal suits filed by creditors are pending and suitable arrangements had to be made under the aegis of the Court to avoid vexatious litigations impeding the process of reconstruction. The IRCI also had to solve the problem of mana-

TABLE 21—PURPOSE-WISE CLASSIFICATION OF ASSISTANCE SANCTIONED AND DISBURSED BY THE IRCI SINCE INCEPTION IN APRIL 1971 TO JUNE 1972

(Amounts in crores of rupees)

Purpose	Assistance sanctioned (effective)	Percentage to total	Utilisation by assisted concerns	Percentage to total
1. For modernisation/rehabilitation/purchase of balancing equipment .. .. .	2.67	35.9	0.17	6.3
2. For correcting imbalance in current position .. .. .	1.66	22.3	0.80	30.0
3. For repayment of pressing liabilities .. .. .	2.71	36.4	1.45	54.3
4. Other purposes .. .. .	0.40	5.4	0.25	9.4
	7.44	100.0	2.66	100.0

gement. In a number of cases where change of management was involved, suitable personnel had to be found out. These and other ancillary matters connected with rehabilitation finance took considerable time.

127. The purpose-wise classification of assistance sanctioned by the IRCI during the period April 1971 to June 1972 brings out its role in nursing sick units (Table 21). More than half of its assistance was provided for purposes of relieving the strain on the resources of the industrial units and for meeting pressing liabilities. About 36 per cent of the assistance was for enabling the companies to modernise their plant and equipment and for rehabilitation.

128. The engineering and textile groups received about 60 per cent of the assistance sanctioned by the IRCI during April 1971 to June 1972. The remaining 40 per cent was provided to paper, glass, chemicals, coal and other industries. Of the 48 industrial units assisted, 47 units are located in West Bengal and one unit in Tamil Nadu. About one-third of the assistance sanctioned by the IRCI was in respect of units located in backward districts specified by the Planning Commission for the purpose.

#### *Post Sanction Supervision of Assisted Projects*

129. Right from the beginning, IRCI has been laying considerable stress on the post-sanction supervision and control over the working of its assisted concerns. It has adopted various measures for having an effective control

over the assisted concerns such as transfer of majority shares in favour of IRCI, nomination of such number of directors on the Boards of assisted companies to ensure an effective say in the management, appointment of technical and management personnel in key positions, calling for periodical progress reports and undertaking visits—quite often, weekly—to units for an assessment of the performance of assisted companies.

#### *Kerala Industrial and Technical Consultancy Organisation (KITCO)*

130. KITCO, sponsored by the IDBI, IFCI, five nationalised 'lead' banks in the State (namely, Canara Bank, Indian Bank, Indian Overseas Bank, Syndicate Bank and Union Bank of India), Kerala Financial Corporation, Kerala State Industrial Development Corporation, and the Government of Kerala, was set up on February 7, 1972 at Cochin and was formally registered as a public limited company under the Companies Act, 1956, on June 3, 1972.

#### *Objectives*

131. The objectives of KITCO are manifold, the more important ones being, the identification of project ideas, preparation of project profiles, feasibility reports and pre-investment studies in respect of specific industries, identification of prospective entrepreneurs for implementation of projects, provision of technical and administrative assistance to entrepreneurs for promotion

and management of industries, undertaking market research and surveys for specific products and undertaking techno-economic appraisal of projects on behalf of financial institutions and banks.

132. In the short span of four months of its working, KITCO received a number of references covering a wide range of industries. A large number of these enquiries related to the small and medium scale sector. Many private parties interested in taking up specific projects entrusted KITCO with various assignments comprising estimation of financial projections and project costs, locating machinery suppliers, examination of technology/process adopted, etc.

133. In regard to the assignments received from outside parties, mention may be made of the following :

(a) A proposal for setting up a wire drawing and wire nail manufacturing unit at Cannanore with a capacity of 5 tonnes per day.

(b) A proposal for installing an automatic soap making (Mazzoni) plant for the production of 3,600 tonnes of soaps per annum.

(c) A proposal for putting up a mini-steel plant at an estimated cost of about Rs. 50 lakhs near Trichur for manufacture of mild steel ingots with a capacity of 9,000 tonnes per annum, based on melting of steel scrap.

(d) A proposal for setting up a unit for manufacture of 4,000 solid rubber battery containers per month.

134. The Project Reports in respect of the first two assignments have been completed and Reports in respect of the remaining are under preparation.

135. Some of the participating as well as non-participating financial institutions have started referring proposals received by them for term loans to KITCO for comments on techno-economic aspects. Some of the projects so referred to KITCO, in respect of which KITCO has furnished its comments, relate to the Manganous Sulphate Monohydrate project to be set up at Trivandrum at an estimated cost of Rs. 45 lakhs, a caustic soda/sodium sulphide expansion scheme, techno-economic feasibility of a diversification scheme of a cable factory and schemes for the manufacture of tooth paste, wooden furniture and tread rubber.

136. The survey of industrial possibilities in the Trivandrum District has been completed by the Inter-Institutional Study Team sponsored by the IDBI. Feasibility studies have been prepared by KITCO on two of the project ideas identified in the Report, viz., (i) Type Foundry and (ii) Gaoilin. While in respect of the Kaolin Project, an entrepreneur from Cannanore District has been given the project report and one of the leading consultancy engineering concerns has agreed to put up the plant on a turn-key basis, in the case of the Type Foundry project, attempts are being made to get a prospective entrepreneur to implement it. KITCO is currently making efforts to give shape to some of the other project ideas emanating from the Report. These relate, among others to—(a) production of hard boards/particle boards from coir pith; (b) manufacture of hollow cement blocks out of waste sand produced from clay mining operations and (c) manufacture of electronic components.

#### Management

137. KITCO is board-managed and the Vice-Chairman of the IDBI is the Chairman of the Board of Directors. The day-to-day management is being looked after by the Managing Director appointed by the IDBI. A nucleus staff, comprising both technical and financial officials, has been loaned by the IDBI to work in KITCO

till such time as KITCO is in a position to recruit its own staff.

#### SOME DETAILS REGARDING IDBI ASSISTED PROJECTS

138. As mentioned elsewhere in this Report, IDBI has devised project profiles for collecting and processing data relating to assisted projects. Data on currently assisted projects are already being compiled on these lines. Project profiles for the past cases are expected to be completed in a few months; after that, it will be possible to make a detailed and meaningful analysis of IDBI assisted projects. Meanwhile, certain characteristics of IDBI assisted projects are furnished on the basis of available data.

139. As an apex institution in the field of industrial finance, a major portion of IDBI assistance is channelled through its schemes of refinance and rediscounts, not to mention assistance in the form of subscription to the bonds and shares of SFCs and other financial institutions. Further, during the last one or two years, IDBI has undertaken a number of new initiatives which are innovative in character and show promise of bringing about a diffused yet viable development of backward States and regions. The impact of these operations on industrial development will be felt after some time. The analysis in this chapter relates only to IDBI's direct assistance which has largely been in the field of core and heavy investment sectors. The analysis is divided into three Sections (a) contribution of IDBI assisted projects to national output, employment, gross assets and government revenue, (b) gestation lags and cost overruns, and (c) capital structure of IDBI assisted companies, cost ratios and the rate of return on capital employed.

#### (a) Contribution to National Output, Employment, Gross Assets and Government Revenue

##### *Contribution to Creation of Additional Capacities*

140. During the eight years of its operations, the IDBI has sanctioned direct assistance (other than for export) aggregating Rs. 262.3 crores to 159 industrial companies. This assistance has helped to create/is expected to create substantial capacities in strategic and vital sectors of the economy such as fertilisers, alloy steels, cement, etc. Table 22 shows the creation of additional capacity assisted by IDBI in relation to revised capacity/production targetted for 1973-74 in certain important sectors of industry.

141. It will be seen from Table 22 that the capacity which IDBI is helping to create by way of direct assistance is substantial in the case of fertilisers, basic industrial chemicals (PVC, polyethylene, caustic soda and caprolactam), non-ferrous metals and cement. Even in respect of other industries, IDBI's contribution is significant if it is related not to the total capacity in the country but only to the additional capacity that has been/is being created since the inception of IDBI in 1964.

#### *Contribution to Industrial Production, Government Revenue Employment and Exports*

142. The companies directly assisted by IDBI have also made a significant contribution in terms of value of output, contribution to Government revenue (in the form of taxes and excise), employment and foreign exchange earned. So far, the IDBI has directly assisted 167 projects promoted by 159 companies. Of these, 125 companies have drawn and are utilising IDBI's direct assistance; 96 companies were in production in 1970 and 101 in 1971, others being new companies whose projects are still in the construction stage.

TABLE 22—IDBI'S CONTRIBUTION BY WAY OF DIRECT ASSISTANCE TO CREATION OF ADDITIONAL CAPACITY IN SELECTED INDUSTRIES

Industry	Unit	Installed capacity/production targetted for 1973-74 (as per IVth Plan mid-term appraisal)	Capacity envisaged by IDBI assisted projects	Percentage of (4) to (3)
(1)	(2)	(3)	(4)	(5)
1. Paper and paper boards .. .. .	(Tonnes)	8,50,000	1,36,500	16.1
2. Cement .. .. .	(Million tonnes)	18	5.1	28.3
3. Fertilisers—				
Nitrogenous .. .. .	(Tonnes)	23,91,000	13,88,920	58.1
Phosphatic .. .. .	(Tonnes)	5,66,000	3,53,470	62.5
4. Pesticides .. .. .	(Tonnes)	73,000	26,000	35.6
5. Basic industrial chemicals—				
(i) Caustic soda .. .. .	(Tonnes)	4,40,000	1,14,160	25.9
(ii) Sulphuric acid .. .. .	(Tonnes)	17,50,000	2,23,000	12.7
(iii) Caprolactam .. .. .	(Tonnes)	23,000	20,000	87.0
(iv) P.V.C. .. .. .	(Tonnes)	90,000	47,500	52.8
(v) Polyethelene .. .. .	(Tonnes)	90,000	30,210	33.6
(vi) Nylon Filament and Nylon cords .. .. .	(Tonnes)	21,000	4,200	20.0
(vii) Polyester Fibres .. .. .	(Tonnes)	22,000	6,100	27.7
6. Alloy and Special Steels .. .. .	(Tonnes)	2,50,000	64,000	25.6
7. Non-ferrous metals—				
(i) Aluminium .. .. .	(Tonnes)	2,10,000	60,000	28.6
(ii) Copper .. .. .	(Tonnes)	47,500	6,500	13.7
(iii) Zinc .. .. .	(Tonnes)	56,000	20,000	35.7
8. Automobile tyres .. .. .	(Million No.)	6	1.1	18.3
9. Agricultural Tractors .. .. .	(No.)	80,000	12,000	15.0
10. Dry battery .. .. .	(Million No.)	850	60	7.1

Excluding 6 companies in regard to which data were not readily available, 90 companies in the year 1970 and 95 companies in the year 1971 contributed Rs. 675.76 crores and Rs. 796.83 crores respectively in terms of value of output to industrial production in the country. Their contribution to Government revenue (in the form of taxes and excise duty) was Rs. 71.48 crores in 1970 and Rs. 91.24 crores in 1971; and they provided employment to about 137000 persons in 1970 and 143000 in 1971.

143. The net value added by these companies formed 7.6 per cent in 1970 and 9.1 per cent in 1971 of the net value added by the large-scale manufacturing sector. Their contribution to Government revenue was 3.8 per cent and 4.3 per cent, respectively, during 1970-71 and 1971-72 to the total Government revenue by way of corporate taxes and excise duties. It should be noted that in the earlier years, development rebate and initial depreciation have largely reduced the impact of income tax. Their share in employment in the organised private sector of industry was 3.5 per cent and 3.6 per cent, respectively; this share is smaller than the share in value added as these projects were by and large highly capital intensive. The export earnings of these assisted companies amounted to Rs. 22 crores in 1970 and Rs. 20 crores in 1971.\*

\* These figures relate to exports made by companies which received IDBI's assistance for industry; they are distinct from the figures of exports of capital goods covered under IDBI's export finance schemes.

#### (b) Gestation Lags and Cost Over-runs

144. Of the 95 companies which are covered in this review, 89 companies had completed their projects and in the remaining cases, the expansion schemes assisted by IDBI were in an advanced stage of implementation. An analysis of the 89 projects completed upto 1971 according to the period of construction is given in Table 23.

145. This analysis of time lags in respect of companies with completed projects showed that a large number of companies—61 out of 89—took about 2 to 4 years. While 20 companies completed their projects within 2 years, 8 companies required 4 to 5 years for commencing production. It is significant to note that it was the capital intensive industrial units such as paper, cement and basic metals which took relatively longer time for completing the projects.

146. An analysis of the projects according to delay in project implementation is given in Table 24. It will be seen therefrom that 13 out of 89 projects assisted by IDBI were completed on schedule and in 6 other cases there was a marginal delay upto 3 months only. However, in 36 out of 89 cases (i.e., in 40.4 per cent of the cases) delay ranged from 12 to 30 months and in 8 cases the delay exceeded 30 months; the maximum delay was about 4 years in the case of a project for manufacturing basic metals.

TABLE 23 —DISTRIBUTION OF IDBI ASSISTED PROJECTS ACCORDING TO TIME LAGS FROM DATE OF SANCTION OF ASSISTANCE TO COMPLETION OF PROJECTS

Industry	Construction period range									Total
	12-18 months	18-24 months	24-30 months	30-36 months	36-42 months	42-48 months	48-54 months	54-60 months	60 and above	
1. Textiles .. ..	1	—	4	2	2	—	1	—	—	10
2. Paper and Paper Products .. ..	—	—	2	1	1	3	—	—	—	7
3. Rubber .. ..	—	—	—	1	—	—	—	—	—	1
4. Basic Industrial Chemicals .. ..	1	2	5	1	1	—	—	—	—	10
5. Fertilisers .. ..	—	—	3	2	2	—	—	—	—	7
6. Other Chemicals .. ..	1	—	1	1	1	1	1	—	—	6
7. Cement .. ..	—	1	1	1	1	—	—	3	—	7
8. Basic Metal Industries .. ..	1	3	1	2	1	4	2	—	1	15
9. Machinery except electrical .. ..	4	1	3	3	—	—	—	—	—	11
10. Electrical Machinery .. ..	4	—	3	—	1	—	—	—	—	8
11. Others .. ..	1	—	4	—	2	—	—	—	—	7
Total .. ..	13	7	27	14	12	8	4	3	1	89

TABLE 24—CLASSIFICATION OF PROJECTS ACCORDING TO DELAY IN PROJECT IMPLEMENTATION

Industry	Range of delay									Total
	Within envisaged date of earlier	less than 3 months	3 to 6 months	6 to 12 months	12 to 18 months	18 to 24 months	24 to 30 months	30 to 36 months	More than 36 months	
1. Textiles .. ..	1	—	—	—	2	3	3	—	1	10
2. Paper and Paper Products .. ..	1	—	—	1	—	3	1	1	—	7
3. Rubber .. ..	1	—	—	—	—	—	—	—	—	1
4. Basic Industrial Chemicals .. ..	—	3	2	1	3	1	—	—	—	10
5. Fertilisers .. ..	3	—	—	2	1	1	—	—	—	7
6. Other Chemicals .. ..	—	1	—	1	1	—	1	2	—	6
7. Cement .. ..	3	—	—	1	2	—	—	—	1	7
8. Basic Metal Industries .. ..	2	1	—	6	1	2	1	—	2	15
9. Machinery except electrical .. ..	1	—	2	5	1	1	—	1	—	11
10. Electrical Machinery .. ..	1	1	1	3	1	1	—	—	—	8
11. Others .. ..	—	—	—	1	2	3	1	—	—	7
Total .. ..	13	6	5	21	14	15	7	4	4	89

*Over-run in IDBI Assisted Projects*

147. Nearly 70 per cent of IDBI assisted companies suffered over-run. Total over-run worked out to 25 per cent of the original capital costs of the projects where over-runs had been reported and 15.7 per cent of the aggregate cost of all the projects studied. Companies belonging to chemicals, textiles and paper industries faced over-run to a greater extent than the other industrial groups. About four-fifth of over-run was attributable to increase in the cost of machinery. Among the more important causes of over-run may be mentioned the devaluation of the rupee effected in June 1966 delay in project implementation and increase in machinery and construction costs. Nearly two-thirds of the over-run was financed by way of long-term loans and about 6 per cent by way of additional share capital. IDBI's contribution towards meeting the over-run was about 15 per cent, IDRI's assistance for meeting the over-run accounted for only 5 per cent of the total direct assistance granted by IDBI. It is interesting to note that suscep-

tibility to over-run did not appear to be dependent on the size of the project, its location or association with a foreign collaborator. At the same time, new companies were more vulnerable to over-run than expansion projects of existing companies.

## (C) CAPITAL STRUCTURE, COST STRUCTURE AND RATE OF RETURN

*Capital Structure*

148. A statement showing capital intensity ratios for IDBI assisted companies for the years 1970 and 1971 along with ratios observed in the case of 1501 companies included in the Reserve Bank study for the year 1969-70 is given in Annexure XIV. The overall ratios of capital to value of output and to net value added were 1.52 and 5.42 respectively in 1970 and 1.44 and 4.92 for 1971. This is suggestive of an improvement in capacity utilisation. These ratios are on the higher side compared to the ratios of 0.95 and 4.14 observed in 1969-70 on the

basis of the Reserve Bank study. This is attributable to the fact that most of the IDBI assisted projects are capital intensive and many of them have been completed only recently and are yet to achieve full capacity operation. Further, a large proportion of assets of IDBI assisted companies has been acquired comparatively recently and therefore, the book value of the assets of these companies is not strictly comparable with that of 1501 companies included in the Reserve Bank study. At the same time, in the case of electrical machinery and equipment, IDBI assisted companies have lower capital/output and capital/net value added ratios. This is in line with the higher earnings/capital ratio observed in the case of IDBI assisted companies in this industry compared to the companies in the Reserve Bank study.

#### Cost Structure

149. Ratios relating to earnings and the important cost items (raw materials, wages and salaries and depreciation) to value of output are given in Annexure XV. The ratio of earnings to value of output for IDBI assisted companies compares favourably with the ratio for companies in the Reserve Bank study in respect of all the industries. Further, percentage of depreciation to value of output for IDBI companies is 8.1 compared to 3.5 for companies in the Reserve Bank study; the higher ratio is explained by the fact that IDBI assisted companies are comparatively recent and have higher depreciation charges. Overall ratio of raw material cost to value of output for IDBI assisted companies is lower compared to companies in the Reserve Bank study. Ratio of salaries and wages to total output for IDBI assisted companies was 11.2 per cent for 1970 and 11.5 per cent

for 1971 compared to 12.7 per cent for companies in the Reserve Bank study in 1969-70.

#### Performance of IDBI Assisted Companies

150. Overall performance of IDBI assisted companies as indicated by the expected and actual ratios of gross earnings before interest and tax to capital employed (gross fixed assets plus inventories) is given in Table 25. It will be seen therefrom that as compared to the expected ratio of 19.8 per cent, the actual earnings as percentage of capital employed worked out to 13.8 per cent in 1970 and 14.7 per cent in 1971. This compares favourably with the ratio of 12.5 per cent observed in the case of 1501 companies included in the Reserve Bank study for the year 1969-70. Further, as many of the assisted companies are yet to reach full capacity operations, their performance (which showed improvement in 1971 compared to 1970) would improve further and may turn out to be closer to the expected return.

151. As mentioned earlier, the above characteristics of IDBI assisted companies are based on a quick analysis of available data. When project profiles are completed it will be possible to undertake detailed studies analysing the divergence between expected and actual outcome of assisted projects, inter-firm variation in performance, extent of linkage among inter-related industries and gestation loss, and make meaningful policy-oriented projections regarding investment outlay and return on capital. Results of some of these studies will be published in the proposed Journal of Development Banking. It is also proposed to cover in our future studies some of the larger projects assisted by IDBI under its refinance scheme.

**TABLE 25—EXPECTED AND ACTUAL RETURN ON CAPITAL EMPLOYED (GROSS EARNINGS BEFORE INTEREST AND TAX TO GROSS FIXED ASSETS PLUS INVENTORIES)**

Industry Group	Expected Rate (%)	Actual Rate (%)	
		1970	1971
1. Textiles .. .. .	9 to 24 (15.1)	—2.9 to 20.3 (8.2)	—6.1 to 17.0 (5.3)
2. Paper .. .. .	7 to 18 (11.9)	8.2 to 18.7 (12.3)	6.1 to 22.7 (15.8)
3. Rubber .. .. .	14.0	3.7	1.4
4. Basic Industrial Chemicals .. .. .	5 to 29 (19.5)	1.2 to 18.4 (16.5)	1.6 to 26.7 (18.6)
5. Fertilisers .. .. .	10 to 22 (18.6)	2.5 to 15.9 (14.7)	0.5 to 21.1 (15.9)
6. Other Chemicals .. .. .	10 to 29 (23.0)	—0.2 to 16.8 (7.5)	—10.2 to 20.8 (12.7)
7. Cement .. .. .	5 to 27 (19.2)	—8.2 to 15.7 (12.3)	8.7 to 15.9 (11.7)
8. Basic Metals .. .. .	5 to 34 (20.0)	—1.7 to 18.0 (14.5)	0 to 15.8 (13.7)
9. Machinery except electrical .. .. .	7 to 44 (24.3)	—9.4 to 20.8 (6.5)	—26.2 to 31.6 (4.2)
10. Electrical Machinery .. .. .	12 to 37 (22.5)	—0.9 to 33.2 (19.5)	2.4 to 46.1 (28.2)
11. Others .. .. .	9 to 28 (22.5)	—2.5 to 13.6 (2.0)	—2.4 to 20.5 (6.6)
All Industries .. .. .	5 to 44 (19.8)	—9.4 to 33.2 (13.8)	—26.2 to 46.1 (14.7)

(Figures in brackets indicate the average return)

#### ACTIVITIES OF THE IDBI SECRETARIAT

##### Board of Directors

152. The Board of Directors of the IDBI is identical with the Central Board of the Reserve Bank of India. On the expiry of his term of office of Deputy Governor, Shri P. N. Damry was reappointed for a further period of two years from February 13, 1972. Two directors, namely Shri P. L. Tandon and Dr. V. Shanmugasundaram retired from the Central Board of the Reserve Bank and consequently from the Board of the IDBI on expiry of their terms of appointment on January 14, 1972. Shri A. Bakshi, Secretary to the Government of India, Ministry of Finance, Department of Banking also ceased to be a director consequent on his appointment as

Comptroller and Auditor General of India on March 26, 1972.

153. The Government of India nominated to the Central Board of the Reserve Bank of India and consequently to the Board of the IDBI, Dr. Bhabatosh Datta and Shri S. M. Joshi, with effect from February 7, 1972 and Shri C. P. Srivastava with effect from February 17, 1972.

154. The Board wishes to place on record its sense of appreciation of the valuable services rendered to the IDBI by Shri P. L. Tandon and Dr. V. Shanmugasundaram.



155. The Board of Directors held seven meetings during the year, one each at Bombay, Bhubaneswar, Calcutta, Lucknow, Madras, New Delhi and Shillong.

#### *Executive Committee*

156. The Executive Committee constituted by the Board and comprising the Chairman, the Vice-Chairman and eight other directors held twelve meetings during the year, of which one was held in Lucknow, two in New Delhi and the rest in Bombay.

#### *Ad-hoc Advisory Committee*

157. As in the previous years, the IDBI continued to avail itself of the services of technical advisers and consultants to advise the IDBI on specific projects. For this purpose, *Ad-hoc* Committees of Advisers were constituted from time to time. In all, sixteen meetings of *Ad-hoc* Committees of Advisers were held during the year, of which one was held outside Bombay for the first time. The Board of Directors is grateful to the advisers and experts for the valuable assistance rendered by them to the IDBI.

#### *Regional and Branch Office Functioning*

158. The Regional Offices at Calcutta, Madras and New Delhi were actively helped and guided by the respective Regional Committees. The Eastern Regional Committee met thrice at Calcutta and once at Shillong. The Northern Regional Committee met four times at New Delhi and the Southern Regional Committee also held four meetings, two of which were in Madras and one each at Trivandrum and Bangalore.

159. As on June 30, 1971 the IDBI had seven Branch Offices at Patna, Chandigarh, Trivandrum, Bhopal, Gauhati, Bangalore and Jammu. During the year, the IDBI opened two more offices, one at Hyderabad and the other at Kanpur. Just after the close of the year, it opened its tenth office at Bhubaneswar. With a view to serving the region from a more central place and to ensure greater co-ordination with the Kerala Industrial and Technical Consultancy Organisation (KITCO), the Branch Office of the IDBI at Trivandrum was shifted to Cochin on March 27, 1972.

#### *Branch Offices and Functional Departments at the Head Office*

160. With the increase in the volume of work, the need for proper decentralisation of the IDBI work and the urgency of intensifying promotional activities in various States, it has become essential to strengthen the Regional/Branch Offices. This has also become necessary to facilitate strengthening of the SFCs set-up, particularly with regard to project appraisal and follow-up supervision of assisted projects. The proposals for that purpose have been formulated and are currently under consideration. Further, it is decided to upgrade the Branch Office in Assam as it has now also to serve the newly created State of Meghalaya, Nagaland, Manipur and Tripura and the Union Territory of Arunachal Pradesh.

161. At the Head Office also, because of the increase in the volume of work and undertaking of new functions, it is essential to improve the effective working of various functional departments. In particular, the Refinance Department needs strengthening in the light of the urgency of the task of improving the appraisal work and providing appropriate guidance to the SFCs for project appraisal and supervision work. To implement the recommendations of the Banking Commission, Export Department would also need to be suitably expanded. In the Economic & Planning Department, an additional division called the Project Promotion & Consultancy Division has been created particularly with a view to giving backward States, to provide the secretariat for the sur-

vey work and other various promotional activities of the IDBI.

#### *Training of Personnel*

162. As in the previous years, the IDBI continued to take advantage of the several training facilities offered in and outside the country. During the year, the IDBI deputed officers to the various courses conducted by the training colleges and institutes of management in the country like the Bankers' Training College at Bombay, the Administrative Staff College of India at Hyderabad, Indian Institute of Management at Ahmedabad and National Institute of Bank Management and NITIE at Bombay. 46 officers of the Bank attended courses on Development Finance and allied subjects conducted by these institutions during the course of the year. In addition, one senior officer was deputed to Deutsche Bank, West Germany for training and study in term-lending and export finance.

163. The IDBI also provided training facilities to personnel of foreign development banks. During the year, officers of Central Banks/Development Banks in Zambia, Ceylon, Thailand, Tanzania, Nepal and Kenya underwent training in the IDBI.

#### *ACCOUNTS OF THE IDBI—GENERAL FUND*

164. The accounts of the General Fund of the IDBI are maintained separately from the Development Assistance Fund (DAF).

#### *Income and Expenditure*

165. During the accounting year 1971-72, the total income of the Bank's General Fund increased by 23 per cent from Rs. 12.9 crores to Rs. 15.9 crores and total expenditure by 29 per cent from Rs. 9.5 crores to Rs. 12.3 crores. The lower rate of growth in income was attributable to the fact that a sizeable portion of the increase in outstanding assistance was under export finance (Rs. 7.4 crores) and refinance to small-scale industries etc. at concessional rates of interest varying between 3½ per cent and 5½ per cent (about Rs. 6.0 crores), as against the IDBI borrowing rate of 6 per cent. Consequently, the loss sustained by the Bank under the above two heads accounted for about Rs. 72 lakhs. At the same time, the expenditure rose faster mainly on account of the following factors:

(i) With the increase in Bank Rate from 5 per cent to 6 per cent in January 1971, the IDBI had to pay interest at enhanced rate to the Reserve Bank both in respect of its outstanding borrowings as on that date and subsequent fresh borrowings;

(ii) Interest is payable at 5½ per cent per annum on bonds issued in March 1972; and

(iii) Increase in establishment expenditure arising out of opening of branch offices and other promotional activities.

166. The net profit for 1971-72 as a result increased only to Rs. 3.6 crores as against Rs. 3.4 crores in 1970-71. Out of the profits, a sum of Rs. 2.3 crores was transferred to the Reserve Fund (compared to Rs. 2.5 crores for 1970-71) raising the amount in the Fund to Rs. 16.8 crores\* as on June 30, 1972. The balance of Rs. 131.25 lakhs (Rs. 93.75 lakhs in 1970-71) was transferred to the Reserve Bank of India, thus maintaining the dividend rate of 3.75 per cent.

#### *Auditors*

167. The accounts of the Bank were audited by M/s. K. S. Aiyar & Company, Bombay, who were appointed by the Reserve Bank of India in terms of Section 23(1) of the Industrial Development Bank of India Act.

\*Exclusive of the investment reserve representing profits on sale of investments of Rs. 61.7 lakhs as at the end of June 1972.

## ANNEXURE 1 (A)

## IDBI : TRENDS IN ASSISTANCE SANCTIONED—1964-65 TO 1971-72 (JULY-JUNE)

(In crores of rupees)

	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	Total since inception of IDBI in July 1964
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. Direct loans (other than for exports) .. .. .	14.8	32.4	21.8	14.6	13.3	5.3	40.7	51.3	194.2
(a) Other than backward districts .. .. .	14.4	30.5	15.9	13.3	6.4	3.2	23.7	26.3	133.7
(b) Backward districts (At normal rates) .. .. .	0.4	1.9	5.9	1.3	6.9	2.1	17.0	25.0*	60.5
2. Underwriting and direct subscriptions .. .. .	6.2	6.0	0.9	1.2	2.3	6.1	4.0	14.6	41.3
(a) Other than backward districts .. .. .	5.1	6.0	0.8	0.9	0.8	2.5	4.0	9.1	29.2
(b) Backward districts (At normal rates) .. .. .	1.1	0.02	0.1	0.3	1.5	3.6	0.03	5.5**	12.1
3. Refinance of industrial loans ..	20.9	19.5	19.4	9.4	13.7	13.8	24.5	30.6	151.8
(a) At normal and concessional rates (other than to small-scale industries, small road transport operators and units in backward districts) .. .. .	20.9	19.3	19.2	8.9	11.1	8.0	10.4	9.1	106.9
(b) At concessional rates									
(i) Small-scale industries	0.04	0.2	0.2	0.5	2.5	3.4	11.0	14.0	31.9
(ii) Small road transport operators .. .. .	—	—	—	—	0.1	2.4	2.8	4.0	9.3
(iii) Backward districts ..	—	—	—	—	—	—	0.3	3.5	3.8
4. Rediscounting of bills ..	0.1	2.2	7.1	12.4	15.5	24.1	28.5	45.3	135.2
<b>Total of 1 to 4 ..</b>	<b>42.0</b>	<b>60.1</b>	<b>49.2</b>	<b>37.6</b>	<b>44.8</b>	<b>49.3</b>	<b>97.7</b>	<b>141.8</b>	<b>522.4</b>
5. Export finance									
(i) Direct .. .. .	—	—	—	—	6.5	11.2	11.3	19.3	48.4
(ii) Refinance .. .. .	0.2	0.7	0.5	0.3	7.3	1.3	13.7	3.3	27.2
<b>Total of 1 to 5 ..</b>	<b>42.2</b>	<b>60.8</b>	<b>49.7</b>	<b>37.9</b>	<b>58.6</b>	<b>61.8</b>	<b>122.7</b>	<b>164.3</b>	<b>598.1</b>
6. Subscriptions to shares and bonds of financial institutions .. .. .	6.3	1.7	9.4	1.9	4.5	0.5	8.6	3.7	36.6
<b>Total of 1 to 6 ..</b>	<b>48.6</b>	<b>62.5</b>	<b>59.1</b>	<b>39.8</b>	<b>63.1</b>	<b>62.3</b>	<b>131.3</b>	<b>168.0</b>	<b>634.7</b>
7. Guarantees for loans and deferred payments .. .. .	5.3	10.6	8.2	—	0.01	0.1	2.6	—	26.9
8. Export Guarantees .. .. .	—	—	—	—	0.6	—	1.1	0.1	1.8

\*Includes a loan of Rs. 12 crores at concessional rate of interest of 7 per cent.

\*\*Includes underwriting assistance of Rs. 2 crores on concessional terms.

## ANNEXURE I (B)

## IDBI : TRENDS IN ASSISTANCE UTILISED—1964-65 TO 1971-72 (JULY-JUNE)

(In crores of rupees)

	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	Total since inception of IDBI in July 1964
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. Direct loans (other than for exports) .. .. .	—	19.9	20.7	18.0	15.3	10.9	4.9	9.6	99.2
(a) Other than backward districts .. .. .	—	18.7	20.5	16.1	12.0	9.1	4.2	6.6	87.3
(b) Backward districts (At normal rates) .. .. .	—	1.2	0.2	1.9	3.3	1.8	0.7	3.0	11.9
2. Underwriting and direct subscriptions .. .. .	0.4	5.3	5.2	1.1	1.6	2.2	3.7	1.8	21.4
(a) Other than backward districts .. .. .	0.2	4.7	5.0	1.0	0.4	1.5	1.5	1.8	16.2
(b) Backward districts (At normal rates) .. .. .	0.2	0.6	0.2	0.1	1.2	0.7	2.2	0.01	5.2
3. Refinance of industrial loans ..	21.2	21.4	19.5	10.8	11.6	12.5	21.2	24.0	142.1
(a) At normal rates .. .. .	21.2	21.4	19.5	7.3	4.4	3.5	4.1	1.0	82.4
(b) At concessional rates (other than to small-scale industries, small road transport operators and units in backward districts) ..	—	—	—	3.4	5.7	7.0	8.7	8.5	33.3
(c) At concessional rates									
(i) Small-scale industries	—	—	—	0.1	1.5	1.9	7.6	10.0	21.1
(ii) Small road transport operators .. .. .	—	—	—	—	—	0.1	0.7	3.0	3.8
(iii) Backward districts .. .. .	—	—	—	—	—	—	0.1	1.5	1.6
4. Rediscounting of bills ..	0.1	1.9	6.1	10.6	13.3	20.6	24.3	38.3	115.3
<b>Total of 1 to 4 ..</b>	<b>21.7</b>	<b>48.5</b>	<b>51.5</b>	<b>40.5</b>	<b>41.8</b>	<b>46.2</b>	<b>54.2</b>	<b>73.7</b>	<b>378.1</b>
5. Export finance									
(i) Direct .. .. .	—	—	—	—	—	2.9	12.0	10.2	25.1
(ii) Refinance .. .. .	—	0.9	0.4	0.3	2.5	2.7	9.9	4.8	21.4
<b>Total of 1 to 5 ..</b>	<b>21.7</b>	<b>49.4</b>	<b>51.9</b>	<b>40.8</b>	<b>44.3</b>	<b>51.8</b>	<b>76.0</b>	<b>88.7</b>	<b>424.6</b>
6. Subscriptions to shares and bonds of financial institutions .. .. .	6.3	1.7	7.4	3.9	4.5	0.5	3.8	5.8	33.9
<b>Total of 1 to 6 ..</b>	<b>28.0</b>	<b>51.1</b>	<b>59.3</b>	<b>44.7</b>	<b>48.7</b>	<b>52.3</b>	<b>79.8</b>	<b>94.5</b>	<b>458.5</b>

ANNE-

IDBI'S DIRECT FINANCE TO INDUSTRIAL CONCERNS—

Sr. No.	Name of the company	Cost of the project	Means of financing			
			Ordinary and Prefer- ence shares	Deben- tures	Loans etc.*	Deferred payments
(1)		(2)	(3)	(4)	(5)	(6)
1. Standard Motor Products of India Ltd.	.. .. .	346.9	—	—	346.9 (121.9)	—
2. Associated Glass Industries Ltd.	.. .. .	453.0	135.0	—	231.2	86.8
3. Andhra Sugars Ltd.	.. .. .	494.0	70.0	—	424.0 (100.0)	—
4. Rathi Alloys & Steels Ltd.	.. .. .	240.0	88.0	—	151.6 (12.1)	—
5. Ashok Paper Mills Ltd.	.. .. .	1961.0	400.0	—	1561.0	—
6. Central Pulp Mills Ltd.	.. .. .	410.0	110.0	—	300.0	—
7. Chemicals and Plastics India Ltd.	.. .. .	151.7	45.0	—	106.7 (42.7)	—
8. Shama Forge Co. Ltd.	.. .. .	170.5	75.0	—	95.4	—
9. Siporex India Ltd.	.. .. .	298.0	120.0	—	160.0	18.0
10. Southern Petro-Chemical Industries Corporation Ltd.	.. .. .	7100.0	1900.0	—	5200.0 (460.0)	—
11. Orissa Fertilizers & Chemicals Ltd.	.. .. .	73.5	25.0	—	48.0	0.5
12. India Fire-bricks & Insulation Co. Ltd.	.. .. .	123.0	—	—	120.6 (81.5)	2.4
13. Globe Steerings Ltd.	.. .. .	91.0	38.0	—	53.0 (3.0)	—
14. Vardhman Spinning & General Mills Ltd.	.. .. .	162.4	60.0	—	102.4 (12.4)	—
15. Shree Synthetics Ltd.	.. .. .	735.0	325.0	—	410.0	—
16. Jesons Electronics Ltd.	.. .. .	136.5	65.0	—	71.5	—
17. Punjab Tractors Ltd.	.. .. .	370.0	140.0	—	230.0	—
18. Hindustan Malleable & Forgings Ltd.	.. .. .	114.0	—	—	114.0 (38.0)	—
19. West India Chemicals Ltd.	.. .. .	68.0	—	—	68.0 (2.4)	—
20. Protein Products of India Ltd.	.. .. .	311.2	120.0	—	191.2	—
21. Gayday Iron and Steel Co. Ltd.	.. .. .	264.0	111.0	—	132.2	20.8
22. Century Metals Ltd.	.. .. .	92.0	48.0	—	44.0	—
23. Indian Dairy Entrepreneurs Agricultural Co. Ltd.	.. .. .	243.0	90.0	—	153.0 (9.0)	—
24. Steel Complex Ltd.	.. .. .	337.0	150.0	—	187.0 (10.0)	—
25. Bhoruka Steel Ltd.	.. .. .	164.0	80.0	—	84.0	—
26. Mangalore Chemicals & Fertilizers Ltd.	.. .. .	5800.0	1600.0	—	4200.0	—
27. Seven Seas Transportation Ltd.	.. .. .	960.0	160.0	—	800.0	—
28. Bolani Ores Ltd.	.. .. .	411.0	—	—	411.0 (136.0)	—
29. Anil Steel & Industries Ltd.	.. .. .	223.0	80.0	—	143.0	—
30. Excel Glasses Ltd.	.. .. .	180.0	70.0	—	110.0	—
31. Modi Rubber Ltd.	.. .. .	1800.0	600.0	—	1200.0	—
32. Shriram Fibres Ltd.	.. .. .	800.0	320.0	—	480.0	—
33. Tata Iron & Steel Co. Ltd.	.. .. .	13347.0	—	1500.0	11847.0 (10713.0)	—
34. Regal Papers (Pvt.) Ltd.	.. .. .	80.0	28.0	—	52.0	—
35. Motor Industries Co. Ltd.	.. .. .	2580.0	91.2	—	2488.8 (2188.8)	—
36. Hada Textile Industries Ltd.	.. .. .	73.0	6.0	—	67.0 (21.0)	—
37. Travancore-Cochin Chemicals Ltd.	.. .. .	995.0	115.0	—	880.0 (150.0)	—
<b>Total</b>	.. .. .	<b>42158.7</b>	<b>7265.2</b>	<b>1500.0</b>	<b>33264.5</b> <b>(14101.8)</b>	<b>128.5</b>

Note : Figures are based on information available at the time the assistance was sanctioned. In respect of certain projects, the contributions of promoters, etc. are based on the information available in the relative prospectuses.

\*Figures within brackets relate to internal resources, cash accruals, etc. included in the main figures.

\*\*Includes internal resources, cash accruals, etc. Promoter's and collaborator's contribution in the form of loans, deposits, etc. included in the main figures is also shown separately in brackets.

@Figures in brackets relate to total assistance including additional assistance sanctioned by the IDBI for financing the project.

†Including Guarantee-cum-rupee loan under French Credit.

‡Out of the total, assistance aggregating Rs. 700 lakhs is under the Development Assistance Fund.

**XURE 41**  
**DETAILS OF SANCTIONS DURING 1971-72**

(In lakhs of rupees)

Contribution to project cost of promoters and collaborators			Financial Assistance Sanctioned by IDBI				Guaran- tee@	Percentage of 9 to 2	Percentage of 13 to 2
Promoters, Directors, etc.**	Collabo- rators	Total of 7 and 8**	Loans@	Underwriting		Total of 10 to 12@			
				Ordinary and Prefer- ence shares@	Deben- tures@				
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
121.9	—	121.9	75.0 (100.0)	—	—	75.0 (100.0)	—	35.1	21.6 (28.8)
73.4	86.8	160.2	30.0 (111.0)	—	—	30.0 (161.0)	—	35.4	6.6 (35.5)
129.0	—	129.0	46.0	(50.0)	—	46.0	—	26.1	9.3
46.1	—	46.1	45.0	14.0	—	59.0	—	19.2	24.6
220.3	—	220.3	1200.0†	200.0	—	1400.0††	—	11.2	71.4
109.0	—	109.0	75.0	25.0 (74.4)	—	100.0 (149.4)	—	26.6	24.4
42.7	—	42.7	20.0 (45.0)	—	—	20.0 (65.0)	—	28.2	13.2
4.7	21.7	26.4	25.0	(20.0)	—	25.0 (34.0)	—	15.5	14.7 (19.9)
35.0	12.5	47.5	22.5 (47.5)	—	—	22.5 (90.0)	—	15.9	7.6 (30.2)
1379.0	—	1379.0	1025.0	436.0	—	1461.0	—	19.4	20.6
9.5	—	9.5	15.0 (30.0)	—	—	15.0 (39.0)	—	12.9	20.4 (53.1)
81.5	—	81.5	25.0††† (60.0)	—	—	25.0 (60.0)	—	66.3	20.3 (48.8)
15.5	—	15.5	10.0	10.0	—	20.0	—	17.0	22.0
32.4	—	32.4	40.0	10.0	—	50.0	—	20.0	30.8
62.0	60.0	122.0	59.3 (114.3)	—	—	59.3 (136.8)	—	16.6	8.1 (18.6)
20.5	5.0	25.5	—	4.0	—	4.0	—	18.7	2.9
45.0	—	45.0	70.8	35.0	—	105.8	—	12.2	28.6
38.0	—	38.0	50.0	—	—	50.0	—	33.3	43.9
2.4	—	2.4	15.0	—	—	15.0	—	3.5	22.0
31.0	—	31.0	10.0 (63.0)	—	—	10.0 (82.0)	—	10.0	3.2 (26.3)
23.8	10.0	33.8	45.0§ (98.0)	—	—	45.0 (107.0)	—	12.8	17.0 (40.5)
(5.9)	—	(5.9)	15.0	(9.0)	—	20.0	—	21.7	21.7
20.0	—	20.0	15.0	5.0	—	20.0	—	11.1	35.5
26.9	—	26.9	55.2	31.1	—	86.3	—	25.5	23.7
86.0	—	86.0	55.0	25.0	—	80.0	—	20.7	31.7
34.0	—	34.0	46.0	6.0	—	52.0	—	11.5	22.4
645.0	25.0	670.0	1000.0	300.0	—	1300.0	—	5.0	3.3
48.0	—	48.0	—	32.0	—	32.0	—	33.1	48.7
136.0	—	136.0	200.0@	—	—	200.0	—	18.8	21.3
42.0	—	42.0	35.0@ @	12.5	—	47.5	—	20.0	36.3
36.0	—	36.0	45.4	20.0	—	65.4	—	15.0	18.1
270.0	—	270.0	275.0	50.0	—	325.0	—	15.9	20.2
127.4	—	127.4	111.7	50.0	—	161.7	—	80.3	2.1
10713.0	—	10713.0	100.0	—	175.0	275.0§§	—	13.1	23.6
10.5	—	10.5	7.0	11.9	—	18.9	—	84.8	2.3
2188.8	—	2188.8	60.0	—	—	60.0	—	31.5	68.5
23.0	—	23.0	46.0	4.0 (11.0)	—	50.0 (57.0)	—	15.1	18.1
150.0	—	150.0	180.0	—	—	180.0	—	41.0	15.6 (17.1)
17079.3 (5.9)	221.0	17300.3 (5.9)	5134.9 (5501.9)	1281.5 (1530.9)	175.0	6591.4 (7207.8)	—		

†††Rupee loan of Rs. 67.50 lakhs sanctioned on 27.5.70 has been cancelled and instead, a reduced loan of Rs.25.00 lakhs has been sanctioned.

§Additional loan of Rs. 45.00 lakhs has been sanctioned under the General Fund since the Government has not approved sanction of assistance of Rs. 36.00 lakhs by way off direct subscription under the DAF.

@To be reduced by such amount as may be sanctioned by other financial institutions.

The Company could not get the approval of the Government of India for the proposed issue of debentures without conversion option. Under the revised financing pattern, the company was granted in April 1972 term loan for Rs. 1.00 crore in lieu of the underwriting assistance of Rs. 1.00 crore sanctioned in September 1970. In May 1972, it was sanctioned an additional assistance by way of underwriting of debentures of Rs. 1.75 crores out of the proposed issue of Rs. 15.00 crores, consequent upon a reduction in the UTI underwriting commitment from Rs. 4.00 crores to Rs. 2.25 crores.

## ANNEXURE III

## IDBI'S DIRECT LOANS AND GUARANTEES FOR EXPORTS—DETAILS OF SANCTIONS DURING 1971-72

(In lakhs of rupees)

Sr. No.	Item of export	Currency of payment	Total assistance required of IDBI and commercial banks		IDBI's share in total assistance sanctioned	
			Post- shipment loans	Guarantee	Post- shipment loans	Guarantee
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Export Loan 1	Boilers and ancillary plant .. .. .	Not specified	170.23	—	145.00 (85%)	—
„ „ 2	Textile machinery .. .. .	Indian Rupees	7.63	—	5.34 (70%)	—
„ „ 3	Textile machinery .. .. .	Pound Sterling	15.11	—	10.58 (70%)	—
„ „ 4	Steel rails .. .. .	U.S. Dollars	163.80	—	109.20 (66%)	—
„ „ 5	Textile machinery .. .. .	Indian Rupees	26.42	—	13.21 (50%)	—
„ „ 6	Railway wagons .. .. .	Indian Rupees	884.43	—	589.62 (66%)	—
„ „ 7	Railway wagons .. .. .	Indian Rupees	773.88	—	515.92 (66%)	—
„ „ 8	Transmission line towers, ACSR Conductors etc. (Turn-key project)	U.S. Dollars	511.22	—	255.61 (50%)	—
„ „ 9	Transmission line materials and towers ..	U.S. Dollars	48.24	—	24.12 (50%)	—
„ „ 10	Textile machinery .. .. .	Indian Rupees	44.51	—	31.16 (70%)	—
„ „ 11	Weaving and finishing complex .. ..	Pound Sterling	125.64	—	62.82 (50%)	—
„ „ 12	Transmission line towers, ACSR and copper conductors	U.S. Dollars	250.00	22.00	150.00* (60%)	11.00* (50%)
„ „ 13	Textile machinery and spares .. .. .	Indian Rupees	22.72	—	15.90 (70%)	—
Total ..			3043.83	22.00	1928.48	11.00

NOTE : (1) Figures are based on information available at the time the assistance was sanctioned.

(2) Percentages in brackets indicate the extent of IDBI's participation.

\*Enhancement in earlier sanction.

## ANNEXURE IV

## CLASSIFICATION OF EXPORT FINANCE\* SANCTIONED BY THE IDBI UPTO THE END OF JUNE 1972 ACCORDING TO DESTINATION OF EXPORTS AND COMMODITY EXPORTED

(In crores of rupees)

Name of the Country	Value of exports financed by IDBI/Banks	Amount of IDBI assistance	Commodity												
			Transmission line towers & conductors	Textile machinery	Steel rails, bars & railway track equipment	Steel construction aids	Railway wagons	Diesel engines	Sugar mill machinery	Automobiles and spares	Water treatment plants	Five fighting equipments	Boilers	Air conditioning & refrigeration equipment	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Iran	44.49	24.93	15.90	0.11	6.41	..	2.51	..	..	..	..	..	..	..	..
Yugoslavia	18.56	11.15	..	..	..	..	11.06	..	..	..	..	..	..	..	0.09
A.R.E.	15.58	10.61	..	9.52	..	0.58	..	..	..	0.17	0.18	0.16	..	..	..
Republic of Korea	9.44	4.97	..	..	4.97	..	..	..	..	..	..	..	..	..	..
Hungary	8.35	4.27	..	..	..	..	4.27	..	..	..	..	..	..	..	..
	6.86	4.10	..	..	4.10	..	..	..	..	..	..	..	..	..	..
Nigeria	5.40	3.80	0.18	..	..	..	..	..	..	3.50	..	..	..	0.12	..
Uganda	3.26	1.61	..	..	..	..	..	..	1.61	..	..	..	..	..	..
Malaysia	1.93	1.45	..	..	..	..	..	..	..	..	..	..	1.45	..	0.04
Ceylon	1.82	1.39	..	..	..	..	..	..	..	1.35	..	..	..	..	..
Argentina	1.93	1.09	..	..	1.09	..	..	..	..	..	..	..	..	..	..
Thailand	2.15	0.89	0.77	0.12	..	..	..	..	..	..	..	..	..	..	..
Sudan	3.98	0.88	0.25	0.63	..	..	..	..	..	..	..	..	..	..	..
Indonesia	1.24	0.60	..	..	0.21	..	..	..	..	0.13	..	..	..	..	0.26
New Zealand	1.30	0.53	..	..	0.53	..	..	..	..	..	..	..	..	..	..
East Germany	0.39	0.39	..	0.39	..	..	..	..	..	..	..	..	..	..	..
Czechoslovakia	0.39	0.31	..	0.31	..	..	..	..	..	..	..	..	..	..	..
West Germany	0.30	0.28	..	..	..	..	..	0.28	..	..	..	..	..	..	..
Poland	0.19	0.14	..	0.14	..	..	..	..	..	..	..	..	..	..	..
Kenya	0.02	0.02	..	..	..	..	..	..	..	..	..	..	..	..	0.02
Lebanon	0.01	0.01	..	0.01	..	..	..	..	..	..	..	..	..	..	..
Others	3.17	2.23	..	..	..	..	..	2.08	..	..	..	..	..	..	0.15
<b>TOTAL</b>	<b>130.76</b>	<b>75.65</b>	<b>17.10</b>	<b>11.23</b>	<b>17.31</b>	<b>0.58</b>	<b>17.84</b>	<b>2.36</b>	<b>1.61</b>	<b>5.15</b>	<b>0.18</b>	<b>0.16</b>	<b>1.45</b>	<b>0.12</b>	<b>0.56</b>

\* Comprising direct loans for exports and refinance of medium-term export credits.

## INDUSTRY-WISE CLASSIFICATION OF FINANCIAL ASSISTANCE

		1971-72						
Industry		Financial Assistance Sanctioned					Total	Utilisation
		Loans (other than for exports)	Under- writing	Refinance of Industrial Loans	Re- discount	Export Finance†		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Coal Mining . . . . .	—	—	5.6	—	—	5.6	—
2.	Stone, Quarrying, Clay and Sand pits . . . . .	—	—	22.8	—	—	22.8	12.5
3.	Metal Mining . . . . .	200.0	—	5.5	—	—	205.5	—
4.	Food Manufacturing industries, except beverage industries :							
	(a) Sugar . . . . .	—	—	27.4	—	—	27.4	63.8
	(b) Others . . . . .	55.2	31.1	368.3	—	—	454.6	248.1
5.	Tobacco Manufacturing Industries . . . . .	—	—	0.7	—	—	0.7	1.3
6.	Manufacture of Textiles :							
	(a) Cotton Textiles . . . . .	46.0	4.0	56.8	—	—	106.8	238.8
	(b) Others . . . . .	—	—	49.3	—	—	49.3	98.6
7.	Manufacture of Wood and Cork except manufacture of furniture . . . . .	—	—	11.3	—	—	11.3	13.3
8.	Manufacture of Furniture and Fixtures . . . . .	—	—	21.4	—	—	21.4	8.4
9.	Manufacture of Paper and Paper Products . . . . .	1282.0	236.9	81.6	—	—	1600.5	201.1
10.	Printing, Publishing and Allied Industries . . . . .	—	—	55.9	—	—	55.9	39.2
11.	Manufacture of Leather and Leather and Fur Products except Foot-wear and other Wearing Apparel . . . . .	—	—	3.9	—	—	3.9	4.7
12.	Manufacture of Leather Foot-wear and Wearing Apparel . . . . .	—	—	7.7	—	—	7.7	21.9
13.	Manufacture of Rubber Products . . . . .	275.0	50.0	84.1	—	—	409.1	66.0
14.	Manufacture of Chemicals and Chemical Products :							
	(a) Basic industrial chemicals other than fertilisers . . . . .	246.0	—	17.8	—	—	263.8	36.8
	(b) Fertilisers . . . . .	2055.0	736.0	40.4	—	—	2831.4	74.8
	(c) Vegetable and animal oils and fats (except edible oils) . . . . .	—	—	24.7	—	—	24.7	20.9
	(d) Manufacture of artificial fibres . . . . .	171.0	50.0	48.4	—	—	269.4	281.6
	(e) Manufacture of chemical and dissolving pulp (rayon grade) . . . . .	—	—	—	—	—	—	—
	(f) Manufacture of paints, varnishes and lacquers . . . . .	—	—	4.3	—	—	4.3	38.1
	(g) Manufacture of miscellaneous chemical products . . . . .	10.0	—	282.8	—	—	292.8	262.2



XURE Y Contd.

## SANCTIONED BY THE IDBI AND UTILISATION THEREOF

1970-71						(In lakhs of rupees)			
Financial Assistance Sanctioned						Since inception of IDBI upto the end of June 1972			
Loans (other than for exports)	Under-writing	Refinance of Industrial Loans	Re-discount	Export Finance†	Total	Utilisation	Total assistance sanctioned	Percentage of assistance sanctioned to total for all industries	Total utilisation*
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
—	—	—	—	—	—	0.2	80.8	0.1	235.1
—	—	9.1	—	—	9.1	7.5	65.6	0.1	51.8
—	—	—	—	—	—	—	256.4	0.4	48.1
—	—	56.0	—	—	56.0	16.0	318.4	0.5	324.3
—	—	266.5	—	—	266.5	272.5	1056.8	1.8	774.6
—	—	1.9	—	—	1.9	1.6	2.6	..	2.4
65.5	—	188.6	—	—	254.1	238.4	3073.8	5.1	3215.5
—	—	81.9	—	—	81.9	90.1	1112.3	1.9	1050.5
—	—	35.3	—	—	35.3	22.5	66.0	0.1	88.2
—	—	7.8	—	—	7.8	3.9	36.1	0.1	18.2
380.0	—	46.4	—	—	426.4	111.6	3033.7	5.1	999.7
—	—	37.9	—	—	37.9	53.1	189.4	0.3	159.0
—	—	6.3	—	—	6.3	3.4	22.3	..	8.7
10.0	—	3.6	—	—	13.6	13.8	68.4	0.1	67.5
—	—	68.5	—	—	68.5	35.5	600.0	1.0	219.3
600.0	62.0	131.0	—	—	793.0	316.6	3848.4 (1081.4)	6.4	2929.9 (1081.4)
1100.0	—	3.3	—	—	1103.3	177.7	7808.6 (1085.0)	13.1	3844.1 (573.1)
—	—	14.0	—	—	14.0	10.8	99.7	0.2	82.8
347.5 (90.0)	113.8	1.5	—	—	462.8 (90.0)	18.0	1046.4 (90.0)	1.8	516.9
—	—	—	—	—	—	—	200.0	0.3	200.0
—	—	13.8	—	—	13.8	10.0	118.8	0.2	114.9
80.0	—	159.4	—	—	239.4	164.8	1401.1 (8.4)	2.3	1235.6 (8.4)

ANNE

(In lakhs of rupees)

Industry	1971-72						
	Financial Assistance Sanctioned						Utili- sation
	Loans (other than for exports)	Under- writing	Refinance of Indus- trial Loans	Re- discount	Export Total Finance†		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
15. Manufacture of Products of Petro- leum and Coal .. .. .	—	—	7.7	—	—	7.7	29.2
16. Manufacture of Non-Metallic Mineral Products except Pro- ducts of Petroleum and Coal ..							
(a) Manufacture of structural clay products .. .. .	25.0	—	22.9	—	—	47.9	11.8
(b) Manufacture of glass and glass products .. .. .	75.4	20.0	23.9	—	—	119.3	78.8
(c) Manufacture of pottery, China and earthenware (ceramics) ..	—	—	7.8	—	—	7.8	9.0
(d) Cement .. .. .	—	—	5.0	—	—	5.0	3.7
(e) Grinding wheels and abrasives	—	—	2.3	—	—	2.3	0.3
(f) Asbestos .. .. .	—	—	1.0	—	—	1.0	2.3
(g) Not-elsewhere classified ..	22.5	—	55.7	—	—	78.2	60.8
17. Basic Metal Industries : .. ..							
(a) Iron and steel basic industries ..	441.0	242.5	228.3	—	1324.7	2236.5	986.4
(b) Non-ferrous metal basic industries	15.0	5.0	10.4	—	—	30.4	81.0
18. Manufacture of Metal Products ex- cept machinery and transport equipment .. .. .	—	—	322.7	—	—	322.7	274.1
19. Manufacture of Machinery ex- cept electrical machinery .. ..	70.8	35.0	157.3	4528.7@	461.8	5253.6	4646.0
20. Manufacture of Electrical Machinery, Apparatus, Appliances and Supplies	—	4.0	122.8	—	469.6 (11.0)	596.4 (11.0)	316.5 (14.7)
21. Manufacture of Transport Equipment	145.0	10.0	72.1	—	—	227.1	100.3
22. Miscellaneous Manufacturing Industries :							
(a) Manufacture of professional scientific measuring and con- trolling instruments .. .. .	—	—	0.7	—	—	0.7	0.2
(b) Manufacture of watches and clocks .. .. .	—	—	0.6	—	—	0.6	—
(c) Plastic moulded goods .. ..	—	—	40.9	—	—	40.9	21.5
(d) Surgical dressing etc. .. ..	—	—	1.7	—	—	1.7	1.8
(e) Cigarette filters .. .. .	—	—	—	—	—	—	—
(f) Stationery articles .. .. .	—	—	9.0	—	—	9.0	11.0
(g) Water metres, steam meters electricity meters .. .. .	—	—	—	—	—	—	—
(h) Roofing materials .. .. .	—	—	—	—	—	—	1.1
(i) Musical instruments .. .. .	—	—	—	—	—	—	—
(j) Manufacture of thermal and acoustic insulators .. .. .	—	—	—	—	—	—	—
(k) Photographic and optical ins- truments .. .. .	—	—	0.2	—	—	0.2	0.1
(l) Packing material .. .. .	—	—	98.6	—	—	98.6	79.0
(m) Not-elsewhere classified ..	—	—	72.9	—	—	72.9	32.3
23. Electricity, Gas, water and Sanitary Services, Gas manufacture and dis- tribution (Industrial Gases) .. ..	—	—	12.0	—	—	12.0	16.3
24. Services :							
(a) Hotel industry .. .. .	—	—	158.0	—	—	158.0	75.7
(b) Road transport .. .. .	—	—	400.7	—	—	400.7	298.0
(c) Others .. .. .	—	32.0	—	—	—	32.0	—
Total ..	5134.9	1456.5	3055.9	4528.7	2256.2 (11.0)	16432.2 (11.0)	8870.2 (14.7)

Note : Figures within brackets relate to guarantees for loans and deferred payments/advance payment guarantees (export credit) sanctioned and executed, which have not been included in the main figures.

\* Inclusive of disbursements made in respect of refinance assistance sanctioned by the Refinance Corporation for Industry prior to its merger with the IDBI.

† Comprising direct loans for export and refinance of export credit.

@ Including assistance to manufacture of electrical machinery and transport equipments.

.. Negligible.

## XURE V—(Contd.)

(In lakhs of rupees)

1970-71						Since inception of IDBI upto the end of June 1972			
Financial Assistance Sanctioned						Utilisa- tion	Total assistance sanctioned	Percentage of assistance sanctioned to total for all industries	Total utilisa- tion*
Loans (other than for exports)	Under- writing	Refinance of Indus- trial Loans	Re- discount	Export Finance†	Total				
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
—	—	—	—	—	—	4.3	53.2	0.1	67.8
—	—	9.1	—	—	9.1	7.8	121.3	0.2	80.7
—	—	58.4	—	—	58.4	168.4	453.8	0.8	348.4
—	—	3.9	—	—	3.9	5.9	103.4	0.2	96.1
—	—	—	—	—	—	—	1346.0 (248.5)	2.3	1167.6 (248.5)
—	—	—	—	—	—	—	2.6	..	4.2
—	—	15.2	—	—	15.2	13.4	43.6	0.1	43.0
—	—	37.9	—	—	37.9	21.5	191.3	0.3	122.3
495.6	115.2	50.5	—	1350.5	2011.8	1023.9	6960.9	11.6	3550.7
550.0 (171.0)	—	1.6	—	—	551.6 (171.0)	0.2	1125.4 (171.0)	1.9	587.1
—	—	241.6	—	—	241.6	169.4	887.5	1.5	688.2
187.0	44.0	210.0	2848.0@	916.2	4205.2	3435.2	18153.0 (1.1)	30.4	15257.1 (1.1)
226.3	61.7	157.0	—	239.6 (109.0)	684.6 (109.0)	671.9 (123.2)	3354.0 (180.1)	5.6	2358.7 (171.4)
25.0	—	92.5	—	—	117.5	53.4	639.0	1.1	486.1
—	—	1.7	—	—	1.7	10.0	23.2	..	24.7
—	—	9.1	—	—	9.1	9.1	20.7	..	18.1
—	—	31.9	—	—	31.9	28.4	98.8	0.2	63.2
—	—	4.2	—	—	4.2	4.9	14.0	..	13.9
—	—	—	—	—	—	—	—	..	4.0
—	—	11.5	—	—	11.5	8.0	27.5	..	19.0
—	—	—	—	—	—	18.7	33.4	0.1	33.0
—	—	8.5	—	—	8.5	7.5	13.3	..	13.1
—	—	—	—	—	—	—	6.0	..	4.8
—	—	—	—	—	—	—	24.4	..	24.4
—	—	—	—	—	—	0.1	1.6	..	1.6
—	—	51.1	—	—	51.1	37.0	169.3	0.3	134.2
—	—	18.0	—	—	18.0	21.3	109.1	0.2	60.3
—	—	5.5	—	—	5.5	0.7	24.7	..	36.2
—	—	9.4	—	—	9.4	7.8	308.8	0.5	217.0
—	—	282.7	—	—	282.7	295.5	940.6	1.6	719.6
—	—	10.9	—	—	10.9	10.9	62.9	0.1	30.9
4066.9 (261.0)	396.7	2455.0	2848.0	2506.3 (109.0)	12272.9 (370.0)	7603.2 (123.2)	59808.9 (2865.5)	100.0	42459.6 (2083.8)

ANNE

## STATE-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED

State	Assistance Sanctioned (Effective)							Total	Guarantees
	Loans (other than for exports)	Loans for Exports	Under- writing and Direct Subscriptions	Refinance of Industrial Loans	Refinance of Export Credits	Redis- count			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
1. Andhra Pradesh .. ..	76.0	—	—	117.1	14.9	117.4	379.4	—	
2. Assam .. ..	1200.0	—	200.0	5.8	—	—	1405.8	—	
3. Bihar .. ..	220.0	—	175.0	151.3	—	283.7	830.0	—	
4. Gujarat .. ..	75.0	—	25.0	399.5	—	298.5	798.0	—	
5. Haryana .. ..	40.0	—	10.0	234.5	—	95.8	380.3	—	
6. Himachal Pradesh .. ..	—	—	—	63.0	—	—	63.0	—	
7. Jammu & Kashmir .. ..	—	—	—	24.6	—	—	24.6	—	
8. Kerala .. ..	280.4	—	45.0	191.4	—	28.0	544.8	—	
9. Madhya Pradesh .. ..	84.2	133.3	—	65.6	—	115.9	399.0	—	
10. Maharashtra .. ..	107.5	481.7	42.0	527.1	223.2	2054.5	3436.0	11.0	
11. Manipur .. ..	—	—	—	2.2	—	—	2.2	—	
12. Meghalaya .. ..	—	—	—	—	—	—	—	—	
13. Mysore .. ..	1046.0	—	306.0	400.3	—	148.4	1900.7	—	
14. Nagaland .. ..	—	—	—	—	—	—	—	—	
15. Orissa .. ..	215.0	—	—	27.9	—	1.3	244.2	—	
16. Punjab .. ..	—	—	—	128.8	—	1.1	129.9	—	
17. Rajasthan .. ..	90.2	—	43.6	97.9	—	11.4	243.1	—	
18. Tamil Nadu .. ..	1241.8	160.9	486.0	210.9	55.8	887.0	3042.4	—	
19. Tripura .. ..	—	—	—	—	—	—	—	—	
20. Uttar Pradesh .. ..	342.0	—	84.9	274.3	—	3.1	704.3	—	
21. West Bengal .. ..	46.0	1152.6	4.0	70.8	—	379.3	1652.7	—	
22. Union Territories .. ..	70.8	—	35.0	62.9	33.8	49.3	251.8	—	
Total	5134.9	1928.5	1456.5	3055.9	327.7	4528.7	16432.2	11.0	

Note : (i) Classification based on location of projects assisted in each State. In a few cases, assistance was sanctioned for expansion of existing units/setting up of new units in more than one State; such assistance has been included in the State where the assistance has gone predominantly. In the case of rediscounts, the classification is based on the location of machinery manufacturer/seller.

(ii) Figures are exclusive of subscriptions to shares and bonds of financial institutions.

ANNE

## STATE-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED BY THE IDBI AND

Assistance Sanctioned (Effective)								
State	Loans (other than for exports)	Loans for Exports	Under- writing and Direct Subscriptions	Refinance of Industrial Loans	Refinance of Export Credits	Redis- count	Total	Gua- rantees
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Andhra Pradesh	1304.5	—	151.5	1012.0	14.9	231.1	2714.0	—
2. Assam	1200.0	—	200.0	24.1	—	—	1424.1	—
3. Bihar	1173.0	—	285.0	312.9	—	587.1	2358.0	—
4. Gujarat	3742.5	38.6	525.6	1845.7	—	894.3	7046.7	601.9
5. Haryana	183.2	—	81.0	667.5	—	149.7	1081.4	8.4
6. Himachal Pradesh	—	—	—	91.7	—	—	91.7	—
7. Jammu & Kashmir	—	—	—	34.0	—	—	34.0	—
8. Kerala	487.4	—	94.0	597.4	—	52.7	1231.5	—
9. Madhya Pradesh	182.3	847.0	88.5	446.9	285.7	566.1	2416.5	—
10. Maharashtra	2669.1	1684.7	728.4	3816.9	1691.1	6186.3	16776.5	1510.0
11. Manipur	—	—	—	2.2	—	—	2.2	—
12. Meghalaya	—	—	—	—	—	—	—	—
13. Mysore	1425.8	—	527.0	989.8	—	771.0	3713.6	—
14. Nagaland	—	—	—	—	—	—	—	—
15. Orissa	1095.0	—	44.0	94.3	—	38.3	1271.6	—
16. Punjab	—	—	—	304.0	—	3.7	307.7	—
17. Rajasthan	456.2	62.5	48.6	316.7	251.3	11.4	1146.7	278.1
18. Tamil Nadu	2652.2	339.9	665.6	2302.0	134.6	1914.0	8008.3	172.1
19. Tripura	—	—	—	—	—	—	—	—
20. Uttar Pradesh	1066.0	—	238.9	758.3	—	122.0	2185.2	295.0
21. West Bengal	1513.6	1866.6	121.6	1139.1	125.2	1877.6	6643.7	—
22. Union Territories	270.8	—	327.5	421.3	222.5	113.4	1355.5	—
Total	19421.6	4839.3	4127.2	15176.8	2725.3	13518.7	59808.9	2865.5

Note : (i) Classification based on location of projects assisted in each State. In a few cases, assistance was sanctioned for expansion of existing units/setting up of new units in more than one State; such assistance has been included in the State where the assistance has gone predominantly. In the case of rediscounts, the classification is based on the location of machinery manufacturer/seller.

(ii) Figures are exclusive of subscriptions to shares and bonds of financial institutions.

## XURE VI

## BY THE IDBI AND UTILISATION THEREOF DURING 1971-72

(In lakhs of rupees)

Assistance Utilised							Guarantees Executed
Loans (other than for exports)	Loans for Exports	Under-writing and Direct Subscriptions	Refinance of Industrial Loans	Refinance of Export Credits	Redis-count	Total	
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
161.5	—	6.7	126.9	—	145.0	440.1	—
—	—	—	12.3	—	—	12.3	—
48.0	—	5.7	101.1	—	240.0	394.8	—
—	17.8	12.2	286.1	—	252.4	568.5	—
46.7	—	4.6	131.6	—	81.0	263.9	—
—	—	—	34.1	—	—	34.1	—
—	—	—	20.2	—	—	20.2	—
—	—	43.0	140.4	—	23.7	207.1	—
42.5	387.3	4.8	46.2	—	98.0	578.8	—
139.5	237.5	9.1	497.1	361.7	1737.6	2982.5	14.7
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
5.8	—	0.7	231.6	—	125.5	363.6	—
—	—	—	—	—	—	—	—
153.0	—	—	21.4	—	1.1	175.5	—
—	—	—	77.8	—	0.9	78.7	—
—	—	—	69.1	—	9.6	78.7	—
138.0	104.8	62.5	289.7	83.3	750.2	1430.5	—
—	—	—	—	—	—	—	—
151.2	—	33.0	210.1	—	2.6	396.9	—
73.0	271.3	1.3	60.5	—	320.8	726.9	—
—	—	—	42.4	33.0	41.7	117.1	—
959.2	1018.7	183.6	2398.6	480.0	3830.1	8870.2	14.7

## XURE VII

## UTILISATION THEREOF DURING JULY 1964-JUNE 1972

(In lakhs of rupees)

Assistance Utilised							Guarantees Executed
Loans (other than for exports)	Loans for Exports	Under-writing and Direct Subscriptions	Refinance of Industrial Loans*	Refinance of Export Credits	Redis-count	Total	
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1216.5	—	112.8	1014.7	—	197.1	2541.1	—
—	—	—	36.7	—	—	36.7	—
501.0	—	20.4	300.6	—	500.8	1322.8	—
1840.0	36.8	391.2	1686.7	—	762.8	4717.5	—
127.7	—	33.1	549.1	—	127.7	837.6	8.4
—	—	—	49.8	—	—	49.8	—
—	—	—	55.1	—	—	55.1	—
155.0	—	46.9	538.1	—	44.9	784.9	—
84.5	769.5	75.5	410.6	285.7	482.9	2108.7	—
2434.6	801.9	620.4	3703.5	1239.9	5276.6	14076.9	1501.3
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
276.8	—	157.2	807.7	—	657.6	1899.3	—
—	—	—	—	—	—	—	—
295.0	—	43.5	135.8	—	32.7	507.0	—
—	—	—	276.6	—	3.2	279.8	—
175.0	52.9	4.6	319.4	245.0	9.7	806.6	278.1
1395.7	282.4	213.3	2180.6	130.4	1632.6	5835.0	1.1
—	—	—	—	—	—	—	—
644.0	—	111.6	614.0	—	104.1	1473.7	295.0
577.9	564.0	89.4	1168.2	21.1	1601.5	4022.1	—
200.0	—	224.1	363.7	220.4	96.7	1104.9	—
9923.7	2507.5	2144.0	14210.9	2142.5	11530.9	42459.6	2083.8

\*Inclusive of disbursements in respect of refinance sanctioned by the Refinance Corporation for Industry Ltd., prior to its merger with the IDBI in September 1964.

## ANNEXURE VIII

## SOURCES AND USES OF FUNDS OF THE IDBI—1964-65 TO 1971-72 AND ESTIMATES FOR 1972-73 (JULY-JUNE)

(In crores of rupees)

	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73 (estimates)
<b>A. SOURCES OF FUNDS</b>									
1. Increase in reserves*	0.8	1.3	2.1	2.8	3.3	4.3	3.6	3.2	4.2
2. Borrowings from :									
(a) Government	22.5	37.9	34.6	25.0	25.0	—	—	—	—
(b) Reserve Bank of India :									
(i) Share capital	10.0	—	10.0	—	—	—	10.0	10.0	—
(ii) NIC (LTO) Fund	2.2	1.7	1.4	0.8	0.2	20.0	28.8	37.8	77.0
3. Borrowings by way of bonds/debentures	—	—	—	—	—	—	—	12.7	16.0
4. Sale of investments in shares, debentures of industrial concerns/redemption of debentures	—	—	—	—	—	2.4	0.3	0.8	2.0
5. Repayment by borrowers:	5.5	8.6	11.7	24.8	21.6	27.9	36.9	51.1	56.8
(a) Loans to industrial concerns (other than for exports)	—	—	—	1.2	1.4	4.5	6.9	8.6	10.0
(b) Loans for exports	—	—	—	—	—	—	0.9	2.1	3.4
(c) Refinance—industrial loans	5.5	8.2	10.1	19.2	14.4	14.0	15.1	16.4	18.5
(d) Refinance—export credits	0.05	0.4	0.5	0.4	0.3	1.4	1.5	5.5	4.5
(e) Rediscounting of bills	—	0.02	1.1	4.0	5.5	8.0	12.5	18.5	20.4
6. Others**	2.2	11.4	8.7	8.9	16.7	17.2	17.0	13.1	17.4
<b>Total</b>	<b>43.1</b>	<b>60.8</b>	<b>68.5</b>	<b>62.3</b>	<b>66.8</b>	<b>71.8</b>	<b>96.6</b>	<b>128.7</b>	<b>173.4</b>
<b>B. USES OF FUNDS</b>									
1. Disbursement of assistance by way of :									
(a) Loans to industrial concerns (other than for exports)	—	19.9	20.7	18.0	15.3	10.9	4.9	9.6	40.0
(b) Loans for exports	—	—	—	—	—	2.9	12.0	10.2	25.0
(c) Underwriting and direct subscriptions	0.4	5.3	5.2	1.1	1.6	2.2	3.7	1.8	3.0
(d) Refinance—industrial loans	21.2	21.4	19.5	10.8	11.6	12.5	21.2	24.0	30.0
(e) Refinance—export credits	—	0.9	0.4	0.3	2.5	2.7	9.9	4.8	5.0
(f) Rediscounting of bills†	0.1 (0.1)	2.2 (1.9)	7.1 (6.1)	12.4 (10.6)	15.5 (13.3)	24.1 (20.6)	28.5 (24.3)	45.3 (38.3)	51.0 (43.0)
(g) Subscriptions to shares and bonds of financial institutions	6.3	1.7	7.4	3.9	4.5	0.5	3.8	5.8	6.0
	28.0 (28.0)	51.4 (51.1)	60.3 (59.3)	46.5 (44.7)	51.0 (48.7)	55.8 (52.3)	84.0 (79.8)	101.5 (94.5)	160.0 (152.0)
2. Repayment of borrowings from Government	—	—	—	—	—	0.7	3.7	6.6	8.9
3. Others**	15.1	9.4	8.3	15.8	15.8	15.3	9.0	20.6	4.5
<b>Total</b>	<b>43.1</b>	<b>60.8</b>	<b>68.5</b>	<b>62.3</b>	<b>66.8</b>	<b>71.8</b>	<b>96.6</b>	<b>128.7</b>	<b>173.4</b>

\*Inclusive of unappropriated profit in the D.A.F.

\*\*Inclusive of cash and other liquid resources.

†Data relate to face value of bills rediscounted; cash disbursements (face value of bills minus discount) are shown within brackets.

## ANNEXURE IX (A)

ASSISTANCE SANCTIONED BY THE TERM-FINANCING INSTITUTIONS DURING 1971-72  
(APRIL-MARCH)

(In crores of rupees)

	Underwriting and Direct Subscriptions									
	Rupee Loans		Foreign Currency Loans		Ordinary and Preference shares		Debentures		Total	
	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71
IDBI	129.7*	76.9*	—	—	12.9	2.0	—	1.7	142.6	80.6
	(23.9)	(16.2)							(23.9)	(16.2)
IFCI	26.8	22.8	3.0	5.7	2.3	1.8	—	2.0	32.1	32.3
ICICI	12.0	9.5	22.5	28.9	3.7	2.7	1.5	2.7	39.7	43.9
IRCI	6.6	—	—	—	—	—	—	—	6.6	—
SFCs	63.4	49.0	—	—	0.7	0.6	—	—	64.1	49.6
SIDCs**	17.1	17.1	—	—	4.7	2.2	0.1	0.03	21.9	19.3
TOTAL	255.6	175.3	25.5	34.6	24.3	9.3	1.6	6.4	307.0	225.7
	(23.9)	(16.2)							(23.9)	(16.2)
UTI†	—	—	—	—	3.2	1.9	11.8	8.9	15.0	10.7
LIC‡	—	4.5	—	—	—	3.4	—	9.9	—	17.8

\*Comprising direct loans, refinance to banks and rediscounts. Refinance to SFCs, indicated separately within brackets, is excluded to avoid double counting since this is covered under loans of SFCs.

†Data for 1971-72 are provisional and those for 1970-71 are revised.

‡Figures for 1971-72 are not available.

\*\*Data relate to 13 SIDCs, SICOM and GIIC.

## ANNEXURE IX (B)

ASSISTANCE DISBURSED BY TERM-FINANCING INSTITUTIONS DURING 1971-72  
(APRIL-MARCH)

(In crores of rupees)

	Underwriting and Direct Subscriptions									
	Rupee Loans		Foreign Currency Loans		Ordinary and Preference shares		Debentures		Total	
	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71
IDBI	77.4*	51.1*	—	—	1.0	4.7	0.4	—	78.8	55.8
	(17.4)	(13.7)							(17.4)	(13.7)
IFCI	16.1†	13.9†	3.4	2.6	0.8	0.9	—	—	20.3	17.4
ICICI	8.0	4.6	20.5	21.2	1.6	1.8	0.2	1.3	30.3	28.9
IRCI	1.1	—	—	—	—	—	—	—	1.1	—
SFCs	39.0†	33.1†	—	—	0.6	0.4	—	—	39.6	33.5
SIDCs**	11.2‡	9.5‡	—	—	1.2	1.6	0.03	0.02	12.4	11.1
TOTAL	152.8	112.2	23.9	23.8	5.2	9.4	0.6	1.3	182.5	146.7
	(17.4)	(13.7)							(17.4)	(13.7)
UTI†	—	—	—	—	1.0	1.1	0.6	4.0	1.6	5.1
LIC‡	—	2.7	—	—	—	2.7	—	2.7	—	8.1

\*Comprising direct loans, refinance to banks and rediscounts. Refinance to SFCs, indicated separately within brackets, is excluded to avoid double counting since this is covered under loans of SFCs.

†Including disbursement on account of Guarantees.

‡Data for 1971-72 are provisional and those for 1970-71 are revised; disbursements exclude advance deposits placed with companies.

‡‡Figures for 1971-72 are not available.

\*\*Data relate to 13 SIDCs, SICOM and GIIC.

## ANNEXURE X

## SOURCES AND USES OF FUNDS OF TERM-FINANCING INSTITUTIONS DURING 1971-72

(APRIL-MARCH)

(In crores of rupees)

	IDBI	IFCI	ICICI	IRCI	SFCs	Total	Total (excluding insti- tutional flows)
<b>A. SOURCES OF FUNDS</b>							
1. Increase in paid-up capital . . .	10.00	—	2.50	5.00	1.86	19.36	15.72
2. Increase in reserves . . .	3.80*	1.67	1.76	—0.07†	1.45	8.61	8.61
3. Borrowings (Gross) in India from :							
(i) Government . . .	—	—	—	5.00	0.69	5.69	5.69
(ii) Reserve Bank of India . . .	48.49	2.05	—	—	12.71	63.25	63.25
(iii) IDBI . . .	—	—	1.80	—	17.56***	19.36	—
(iv) Banks . . .	—	—	—	—	1.90	1.90	1.90
(v) Others . . .	—	—	—	—	0.02	0.02	0.02
4. Borrowings by way of bonds/ debentures . . .	12.65	8.80	—	—	17.10	38.55	38.45
5. Borrowings in foreign currency :							
(i) Total line of credit available . . .	—	(11.64)	(48.69)	—	—	(60.33)	(60.33)
(ii) Utilised . . .	—	3.40	20.46	—	—	23.86	23.86
6. Deposits accepted . . .	—	—	—	—	2.35	2.35	2.35
7. Sale of investment in :							
(i) Government and other trustee securities . . .	—	2.01	0.18	—	1.25	3.44	3.44
(ii) Shares, debentures, etc. (including underwriting) . . .	0.04	0.78	1.64	—	0.22	2.68	2.68
8. Repayment of loans by bor- rowers :							
(i) Rupee loans . . .	46.92	10.16	4.30	—	14.07	75.45	69.18
(ii) Foreign currency loans . . .	—	2.41	9.76	—	—	12.17	12.17
9. Recoveries in respect of guaran- tees . . .	—	0.08	—	—	0.25	0.33	0.33
10. Others** . . .	14.10	12.28	8.79	—	10.31	45.48	45.48
TOTAL . . .	136.00	43.64	51.19	9.93	81.74	322.50	293.13
<b>B. USES OF FUNDS</b>							
1. Disbursement of assistance by way of :							
(i) Loans :							
(a) Rupee loans . . .	101.87†† (94.82)	15.95	7.98	1.11	38.91	165.82	148.26
(b) Foreign currency loans . . .	—	3.40	20.46	—	—	23.86	23.86
(ii) Subscriptions to shares, debentures etc. of indus- trial concerns . . .	1.38	0.79	1.82	—	0.56	4.55	4.55
(iii) Subscriptions to shares/ bonds of financial insti- tutions . . .	5.54	—	0.13	—	—	5.67	0.13
(iv) Guarantees . . .	—	0.17	—	—	0.14	0.31	0.31
2. Investment in Government and trustee securities . . .	—	—	0.50	1.63	0.62	2.75	2.75
3. Repayment of loans (in India) :							
(i) Government . . .	3.69	3.16	2.13	—	0.57	9.55	9.55
(ii) Reserve Bank of India . . .	—	2.67	—	—	10.05	12.72	12.72
(iii) IDBI . . .	—	—	—	—	6.27***	6.27	—
(iv) Banks . . .	—	—	—	—	3.10	3.10	3.10
(v) Others . . .	—	—	—	—	0.09	0.09	0.09
4. Redemption of bonds/debentures . . .	—	5.24	—	—	7.13	12.37	12.37
5. Redemption of loans in foreign currency . . .	—	2.47	8.92	—	—	11.39	11.39
6. Repayment of deposits . . .	—	—	—	—	2.48	2.48	2.48
7. Others** . . .	23.52	9.79	9.25	7.19	11.82	61.57	61.57
TOTAL . . .	136.00 (128.95)	43.64	51.19	9.93	81.74	322.50	293.13

\*Inclusive of unappropriated profits in the D.A.F.

\*\*Inclusive of cash and other liquid resources.

\*\*\*Relates to refinance assistance.

††Data in respect of rediscounts included in this figure relate to face value of bills rediscounted; cash disbursements including those in respect of rediscounts (face value minus discount) are shown within brackets.

†Excess of expenditure over income.



## ANNEXURE XI

## PURPOSE-WISE CLASSIFICATION OF ASSISTANCE SANCTIONED BY TERM-FINANCING INSTITUTIONS AND UTILISATION THEREOF—1969-70 TO 1971-72 (APRIL-MARCH)

(In crores of rupees)

		1969-70		1970-71		1971-72	
		Sanctions	Utilisation (cash)	Sanctions	Utilisations (cash)	Sanctions	Utilisations (cash)
1. New Projects							
IDBI*		8.4	5.1	3.0	8.1	54.6	5.7
IFCI		10.6	10.8	18.6	10.3	22.4	10.3
ICICI		1.4	3.1	11.2	3.3	10.8	6.1
UTI		2.0	0.7	2.0	0.9	6.1	0.3
IRCI		—	—	—	—	—	—
		22.4	19.7	34.8	22.6	93.9	22.4
2. Expansion/Diversification							
IDBI*		0.6	5.6	13.5	2.2	3.2	1.9
IFCI		5.0	5.9	8.8	6.8	8.4	8.2
ICICI		18.2	13.9	27.4	19.7	21.4	17.2
UTI		3.5	4.2	2.4	3.4	7.3	0.8
IRCI		—	—	—	—	—	—
		27.3	29.6	52.1	32.1	40.3	28.1
3. Modernisation/Rationalisation/ Balancing equipment							
IDBI*		1.5	0.9	4.8	—	14.9	0.7
IFCI		1.3	0.2	4.9	0.3	1.1	1.7
ICICI		5.0	1.7	3.6	4.5	4.5	5.1
UTI		1.4	1.1	5.8	0.2	0.2	—
IRCI		—	—	—	—	2.5	0.1
		9.2	3.9	19.1	5.0	23.2	7.6
4. Supplementary Assistance**							
IDBI*		3.6	6.1	4.2	2.9	3.5	2.2
IFCI		—	—	—	—	0.1	—
ICICI		2.2	0.9	1.7	1.4	3.0	1.9
UTI		2.9	2.7	0.5	0.5	1.4	0.5
IRCI		—	—	—	—	4.1	1.0
		8.7	9.7	6.4	4.8	12.1	5.6
Total							
IDBI*		14.1	17.7	25.6	13.2	76.2	10.5
IFCI		16.9	16.9	32.3	17.4	32.1	20.3
ICICI		26.8	19.6	43.9	28.9	39.7	30.0
UTI		9.9	8.7	10.7	5.1	15.0	1.6
IRCI		—	—	—	—	6.6	1.1
		67.7	62.9	112.5	64.6	169.6	63.8

\*Comprising direct loans to industrial concerns, underwriting of and direct subscription to shares and debentures and guarantee for loans and deferred payments.

\*\*That is, assistance for (i) meeting over-run in project costs arising from delays in implementation, rise in cost of machinery and building materials, shortfall in estimated cash resources etc.; (ii) relieving straitened cash resources of companies which had earlier utilised working capital funds for acquisition of fixed assets and (iii) financial re-organisation, etc.

ANNE

## INDUSTRY-WISE CLASSIFICATION OF FINANCIAL INSTITUTIONS AND UTILISATION THERE OF

Industry	Assistance						Sanctioned					Total
	IDBI		IFCI		ICICI		UTI		IRCI†			
	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71		
1. Food manufacturing except beverages . . . . .	5.3	2.6	8.6	7.9	1.6	1.0	—	0.2	—	15.5	11.7	
2. Textiles (including Jute) . . . . .	1.5	3.3	2.2	3.4	2.5	3.6	1.4	1.3	2.0	9.6	11.6	
3. Paper and Paper Products . . . . .	15.5	4.4	1.9	0.1	4.4	—0.4*	0.1	..	0.2	22.1	4.1	
4. Manufacture of Rubber Products . . . . .	0.9	0.4	..	—	0.2	0.3	..	..	0.1	1.2	0.7	
5. Basic Industrial Chemicals other than fertilisers . . . . .	7.6	7.2	0.9	0.2	10.0	6.7	0.8	0.5	—	19.3	14.6	
6. Fertilisers . . . . .	39.0	..	6.1	0.1	2.7	5.0	2.0	—	—	49.8	5.1	
7. Other Chemicals and Chemical Products . . . . .	3.7	2.9	0.7	—	1.3	0.7	2.0	0.1	0.3	8.0	3.7	
8. Cement . . . . .	0.1	—	0.2	0.5	..*	—0.1*	0.6	—	—	0.9	0.4	
9. Basic Metal Industries—												
(a) Iron and Steel Basic Industries . . . . .	19.9	14.4	4.1	2.2	6.1	6.3	1.7	5.0	—	31.8	27.9	
(b) Non-ferrous Metal Basic Industries . . . . .	0.3	5.5	0.3	1.7	—	3.5	1.3	0.9	—	1.9	11.6	
10. Metal Products except machinery and transport equipment . . . . .	3.6	1.8	1.2	1.8	0.4	0.4	..	—	—	5.2	4.0	
11. Manufacture of Machinery except electrical machinery . . . . .	53.9	39.1	1.1	1.0	2.0	4.1	0.2	0.4	0.4	57.6	44.6	
12. Manufacture of Electrical Machinery, Apparatus, Appliances and Supplies . . . . .	2.2	6.8	1.8	1.6	2.4	2.8	0.2	0.7	0.2	6.8	11.9	
13. Manufacture of Transport Equipment . . . . .	2.2	0.7	1.7	1.6	1.6	—1.0*	0.8	0.3	—	6.3	1.6	
14. Services . . . . .	4.8	4.2	—	—	0.2	7.0	0.5	0.7	—	5.5	11.9	
(Of which to Road Transport) . . . . .	(3.3)	(4.0)			(—)	(—)	(—)	(—)		(3.3)	(4.0)	
15. Others . . . . .	6.0	3.5	1.3	10.2	4.3	4.0	3.4	0.6	3.4	18.4	18.3	
TOTAL . . . . .	166.5	96.8	32.1	32.3	39.7	43.9	15.0	10.7	6.6	259.9	183.7	

Note : Figures of IDBI's assistance are inclusive of direct loans, underwriting, refinance and rediscounts but exclusive of guarantees and subscription to shares and bonds of financial institutions, whereas assistance of IFCI, ICICI, UTI and IRCI comprises direct loans, underwriting and guarantees.

## XURE XII

ASSISTANCE SANCTIONED BY TERM-FINANCING  
DURING 1970-71 AND 1971-72 (APRIL-MARCH)

(In crores of rupees)

Assistance Utilised										
IDBI	IFCI		ICICI		UTI		IRC†		Total	
1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1970-71
3.4	2.0	5.1	4.6	1.2	0.3	..	..	—	9.7	6.9
3.4	4.3	3.3	4.9	2.6	1.3	0.1	0.2	0.6	10.1	10.6
1.9	1.2	1.2	0.2	1.0	1.2	—	0.1	..	4.1	2.7
0.6	0.5	0.6	1.5	2.0	3.7	..	..	—	3.2	5.7
2.9	4.9	0.1	0.8	8.1	6.0	0.1	0.4	—	11.1	12.2
0.3	2.5	0.1	0.4	—	0.4	—	0.6	—	0.4	3.9
3.4	2.0	0.7	1.4	0.4	0.7	0.3	0.2	—	4.8	4.3
..	0.1	0.4	0.3	..	0.5	0.1	0.6	—	0.5	1.5
12.7	6.4	0.5	0.1	2.2	1.8	0.2	—	—	15.6	8.3
0.3	0.7	..	0.5	0.1	0.3	..	..	—	0.4	1.5
2.7	1.4	0.9	0.8	1.3	0.7	..	—	—	4.9	2.9
51.3	28.6	1.2	0.4	3.0	1.2	..	0.1	—	55.5	30.3
3.7	6.4	2.1	0.1	2.8	1.9	..	0.6	0.1	8.7	9.0
1.2	0.5	0.7	0.2	1.7	1.8	—	—	—	3.6	2.5
3.4	3.6	—	—	1.4	4.3	0.3	1.8	—	5.1	9.7
(2.8)	(3.4)	—	—	(—)	(—)	(—)	(—)	—	(2.8)	(3.4)
5.0	4.4	3.4	1.2	2.5	2.8	0.5	0.5	0.9	12.3	8.9
96.2	69.5	20.3	17.4	30.3	28.9	1.6	5.1	1.6††	150.0	120.9

†IRC was set up in April 1971.

\*Negative due to subsequent reductions.

††Includes guarantees executed.

..Negligible.

ANNE

STATE-WISE DISTRIBUTION OF FINANCIAL  
DURING 1970-71 AND 1971-72 (APRIL-MARCH)

State	Assistance Sanctioned										Total	
	IDBI		IFCI		ICICI		UTI		IRCI			
	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71
1. Andhra Pradesh	4.6 (0.4)	3.3 (0.1)	1.1 (—)	1.6 (0.5)	2.0 (1.4)	0.3 (—)	0.4	—	—	—	8.1 (1.8)	5.2 (0.6)
2. Assam	14.2 (14.0)	0.1 (—)	1.0 (1.0)	—	1.0 (1.0)	—	—	—	—	—	16.2 (16.0)	0.1 (—)
3. Bihar	8.2 (0.3)	1.8 (—)	0.5 (—)	4.7 (0.3)	2.4 (—)	5.4 (..)	1.7	5.0	—	—	12.8 (0.3)	16.9 (0.3)
4. Gujarat	30.6 (12.7)	12.3 (1.0)	4.1 (3.0)	3.1 (0.9)	6.4 (0.2)	9.1 (0.3)	3.3	1.2	—	—	44.4 (15.9)	25.7 (2.2)
5. Haryana	5.0 (0.7)	2.8 (0.3)	2.3 (—)	1.4 (—)	0.7 (—)	1.9 (—)	—	0.1	—	—	8.0 (0.7)	6.2 (0.3)
6. Himachal Pradesh	0.6 (0.1)	0.2 (—)	—	—	—	—	—	—	—	—	0.6 (0.1)	0.2 (—)
7. Jammu & Kashmir	0.2 (..)	0.1 (—)	—	—	—	—	—	—	—	—	0.2 (..)	0.1 (—)
8. Kerala	2.7 (0.3)	1.4 (0.1)	0.5 (0.1)	0.6 (—)	1.9 (0.4)	1.1 (—)	—	0.1	—	—	5.1 0.8	3.2 (0.1)
9. Madhya Pradesh	5.7 (0.1)	9.5 (0.1)	..	1.1 (—)	0.8 (—)	..	—	0.2	—	—	6.5 (0.1)	10.8 (0.1)
10. Maharashtra	24.6 (0.5)	26.8 (0.5)	9.3 (5.0)	8.2 (1.3)	11.7 (0.5)	16.2 (0.1)	3.1	1.6	—	—	48.8 (6.0)	52.8 (1.9)
11. Meghalaya	—	—	—	—	—	—	—	—	—	—	—	—
12. Manipur	—	—	—	—	—	—	—	—	—	—	—	—
13. Mysore	20.1 (14.5)	2.4 (0.4)	0.8 (—)	1.3 (1.0)	2.1 (..)	0.2* (—)	1.7	0.1	—	—	24.7 (14.5)	3.6 (1.5)
14. Nagaland	—	—	—	—	—	—	—	—	—	—	—	—
15. Orissa	0.4 (0.2)	5.2 (5.0)	2.4 (1.7)	1.8 (1.7)	0.2† (1.9)	3.3 (3.3)	—	0.4	—	—	3.0 (3.8)	10.7 (10.0)
16. Punjab	2.2 (..)	0.5 (—)	1.1 (—)	..	0.1 (—)	—	0.1	—	—	—	3.5 (—)	0.5 (—)
17. Rajasthan	4.0 (1.0)	2.1 (0.1)	1.3 (—)	0.8 (0.7)	1.2 (0.1)	—	—	—	—	—	6.5 (1.1)	2.9 (0.8)
18. Tamil Nadu	25.3 (2.6)	6.2 (0.7)	4.5 (0.7)	2.2 (0.6)	5.8 (0.1)*	2.8 (0.3)	2.5	0.9	0.2 (—)	—	38.3 (3.2)	12.1 (1.6)
19. Tripura	—	—	—	—	—	—	—	—	—	—	—	—
20. Uttar Pradesh	6.7 (0.3)	6.5 (..)	2.3 (0.8)	4.6 (—)	2.3 (..)*	3.0 (—)	0.6	0.6	—	—	11.9 (1.1)	14.7 (..)
21. West Bengal	4.9 (0.1)	10.7 (0.2)	0.9 (0.9)	0.9 (0.3)	0.9 (0.3)	—0.7* (0.4)	1.5	0.4	6.4 (2.4)	—	14.6 (3.7)	11.3 (0.9)
22. Union Territories	6.4 (3.9)	4.9 (1.0)	—	—	0.2 (0.1)	1.7 (1.3)	0.1	0.1	—	—	6.7 (4.0)	6.7 (2.3)
Total	166.5 (51.7)	96.8 (9.5)	32.1 (13.2)	32.3 (7.3)	39.7 (5.8)	43.9 (5.7)	15.0	10.7	6.6 (2.4)	—	259.9 (73.1)	183.7 (22.5)

Note : (i) Figures in brackets indicate assistance given to backward districts/areas.

(ii) Figures of IDBI's assistance are inclusive of direct loans, underwriting, refinance and rediscounts but exclusive of guarantees and subscriptions to shares and bonds of financial institutions whereas assistance of IFCI, ICICI, UTI and IRCI comprises direct loans, underwriting and guarantees.

(iii) Figures of assistance to backward areas in respect of UTI are not available.

## XURE XIII

ASSISTANCE BY TERM-FINANCING INSTITUTIONS  
—SANCTIONS AND UTILISATION

(In crores of rupees)

Assistance Utilised										
IDBI		IFCI		ICICI		UTI		IRCI	Total	
1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1970-71	1971-72	1971-72	1970-71
4.4 (0.2)	2.7 (0.1)	1.3 (0.3)	1.1 (0.8)	0.9 (0.3)	1.1 (0.3)	—	0.7	—	6.6 (0.8)	5.6 (1.2)
0.2 (—)	.. (—)	0.1 (0.1)	0.7 (0.7)	—	—	—	—	—	0.3 (0.1)	0.7 (0.7)
1.6 (0.1)	1.7 (—)	0.8 (—)	0.3 (—)	2.5 (—)	2.9 (..)	0.2	..	—	5.1 (0.1)	4.9 (..)
11.5 (1.3)	8.2 (0.4)	0.1 (—)	1.0 (0.1)	4.2 (0.2)	1.8 (..)	0.2	2.1	..	16.0 1.5	13.1 (0.5)
4.3 (0.4)	1.5 (0.2)	1.0 (—)	0.4 (—)	2.3 (—)	2.4 (—)	..	..	—	7.6 (0.4)	4.3 (0.2)
0.3 (0.1)	0.2 (—)	—	—	—	—	—	—	—	0.3 (0.1)	0.2 (—)
0.2 (—)	—	—	—	—	—	—	—	—	0.2 (—)	—
1.7 (0.1)	1.0 (0.1)	0.3 (—)	0.3 (0.1)	0.7 (—)	0.4 (—)	0.2	—	—	2.9 (0.1)	1.7 (0.2)
7.2 (0.1)	5.1 (..)	0.3 (0.2)	0.8 (0.6)	1.4 (..)	0.3 (0.1)	..	..	—	8.9 (0.3)	6.2 (0.7)
26.4 (1.4)	22.3 (0.7)	6.8 (1.5)	5.0 (1.9)	10.5 (0.5)	11.9 (0.6)	0.7	0.5	—	44.4 (3.4)	39.7 (3.2)
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
3.7 (0.9)	3.0 (0.4)	1.8 (0.2)	1.4 (0.6)	1.0 (0.3)	1.0 (0.4)	..	0.5	—	6.5 (1.4)	5.9 (1.4)
—	—	—	—	—	—	—	—	—	—	—
1.9 (1.7)	0.9 (0.7)	1.3 (0.6)	0.2 (—)	0.3 (0.3)	0.9 (0.5)	—	0.4	—	3.5 (2.6)	2.4 (1.2)
1.8 (..)	0.4 (—)	.. (—)	0.2 (—)	—	.. (—)	—	—	—	1.8 (..)	0.6 (—)
2.6 (0.1)	1.9 (0.1)	0.6 (0.6)	.. (—)	—	.. (..)	—	0.2	—	3.2 (0.7)	2.1 (0.1)
10.5 (2.1)	7.9 (0.4)	1.7 (0.3)	2.6 (0.5)	3.1 (0.1)	2.2 (—)	0.2	0.2	—	15.5 (2.5)	12.9 (0.9)
—	—	—	—	—	—	—	—	—	—	—
5.8 (0.1)	3.5 (..)	2.7 (—)	1.2 (—)	1.9 (—)	1.1 (..)	0.1	0.2	—	10.5 (0.1)	6.0 (..)
5.9 (0.2)	4.2 (0.2)	1.1 (0.4)	1.7 (0.6)	1.3 (0.1)	1.2 (0.3)	..	0.1	1.6 (0.7)	9.9 (1.4)	7.2 (1.1)
6.2 (3.3)	5.0 (3.4)	0.3 (—)	0.4 (0.4)	0.2 (—)	1.7 (1.5)	..	0.3	—	6.7 (3.3)	7.3 (5.3)
96.2 (12.1)	69.5 (6.7)	20.3 (4.2)	17.4 (6.3)	30.3 (1.8)	28.9 (3.7)	1.6	5.1	1.6†† (0.7)	150.0 (18.8)	120.9 (16.7)

\*Negative due to subsequent reductions.

†The lower figure for the State is due to reduction of Rs. 1.7 crores in earlier sanctions in respect of districts other than backward.

††Includes guarantees executed.

..Negligible.

**ANNEXURE XIV**  
**CAPITAL INTENSITY RATIOS OF IDBI ASSISTED COMPANIES**

Industry	Number of companies covered		Capital/Value of output		Capital/Net value added		Capital employed per worker	
	1970	1971	1970	1971	1970	1971	1970 Rs.	1971 Rs.
1. Textiles (including jute)	12	13	0.97 (0.86)	1.02	4.07 (3.48)	4.58	8374	13403
2. Paper and Paper Products	7	7	2.28 (1.51)	1.95	7.82 (5.86)	6.02	66964	68913
3. Manufacture of Rubber Products	1	1	1.06 (0.48)	1.09	12.49 (2.77)	12.34	71384	75244
4. Basic Industrial Chemicals other than fertilisers	9	9	1.45 (1.44)	1.36	4.44 (5.97)	3.92	310841	317597
5. Fertilisers	6	6	1.58	1.51	6.98	6.31	419120	412330
6. Other Chemicals and Chemical Products	5	6	3.51 (0.57)	2.45	12.11 (2.30)	6.76	118088	121767
7. Cement	7	7	1.71 (1.40)	1.61	6.28 (7.40)	5.56	54304	56630
8. Basic Metal Industries	15	16	2.03 (1.83)	1.99	5.56 (6.9)	5.99	84835	101299
9. Manufacture of Machinery except electrical machinery	12	13	1.55 (1.14)	1.51	5.24 (4.69)	5.94	29284	33150
10. Manufacture of Electrical Machinery	10	10	0.69 (0.76)	0.66	2.16 (3.36)	1.92	41616	48737
11. Other industries	6	7	2.22	2.00	9.28	6.79	33194	34023
<b>All Industries</b>	<b>90</b>	<b>95</b>	<b>1.52 (0.95)</b>	<b>1.44</b>	<b>5.42 (4.14)</b>	<b>4.92</b>	<b>75180</b>	<b>80110</b>

Note : Figures within brackets indicate ratios observed for 1501 companies included in the Reserve Bank Study for 1969-70.

## ANNEXURE XV

## PROFITABILITY AND COST STRUCTURE OF IDBI ASSISTED COMPANIES

Industry	Number of companies covered		% of net value added to value of output		% of earnings to value of output		% of raw materials to value of output		% of salaries and wages to value of output		% of depreciation to value of output	
	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971
1. Textiles (including jute) .. ..	12	13	23.7	22.2	7.9 (7.7)	5.4	59.4 (46.5)	64.7	16.6 (17.9)	19.3	4.6 (2.9)	4.6
2. Paper and Paper Products .. ..	7	7	29.2	32.4	28.2 (19.2)	30.9	16.5 (21.6)	18.1	12.1 (11.7)	11.6	12.6 (7.2)	11.9
3. Manufacture of Rubber Products ..	1	1	8.5	8.8	3.9 (10.5)	1.5	76.4 (48.9)	78.2	8.1 (7.7)	11.4	5.4 (1.9)	6.1
4. Basic Industrial Chemicals other than Fertilisers .. ..	9	9	32.5	34.7	23.9 (21.9)	25.4	36.8 (36.1)	35.9	12.1 (7.7)	12.0	8.5 (6.9)	8.2
5. Fertilisers .. ..	6	6	22.6	24.0	23.1	24.1	39.4	38.9	8.7	9.1	10.2	10.3
6. Other Chemicals and Chemical Products ..	5	6	28.9	36.3	26.2 (14.5)	31.2	46.2 (50.4)	36.1	14.6 (10.7)	9.9	18.6 (2.0)	17.9
7. Cement .. ..	7	7	27.3	28.9	21.2 (15.5)	18.7	37.0 (29.1)	37.6	10.7 (9.2)	10.4	6.9 (5.5)	6.5
8. Basic Metal Industries .. ..	15	16	36.4	33.3	29.4 (18.0)	27.4	35.3 (25.9)	31.3	11.6 (14.0)	11.2	11.4 (7.5)	10.9
9. Manufacture of Machinery except electrical machinery ..	12	13	29.5	25.5	10.1 (11.8)	6.3	52.7 (51.5)	56.6	21.4 (14.4)	20.2	6.4 (4.1)	6.9
10. Manufacture of Electrical Machinery ..	10	10	31.8	34.3	13.5 (11.8)	18.6	43.4 (56.1)	34.7	9.2 (11.8)	9.8	2.2 (2.8)	2.2
11. Other industries ..	6	7	24.0	29.5	4.5	13.1	53.4	47.1	16.1	16.2	4.6	4.3
<b>All Industries ..</b>	<b>90</b>	<b>95</b>	<b>28.1</b>	<b>29.3</b>	<b>20.9 (11.8)</b>	<b>21.2</b>	<b>38.9 (45.6)</b>	<b>39.2</b>	<b>11.2 (12.7)</b>	<b>11.5</b>	<b>8.1 (3.5)</b>	<b>7.9</b>

Note: Figures within brackets indicate percentages observed for 1501 companies included in the Reserve Bank Study for 1969-70.

## INDUSTRIAL DEVELOPMENT

## BALANCE SHEET AS AT

Previous Year	LIABILITIES										This Year	
Rs.											Rs.	Rs
	<b>1. Capital</b>											
50,00,00,000	Authorised	..	..	..	..	..	..	..	..	..	50,00,00,000	
30,00,00,000	Issued and Paid-up	..	..	..	..	..	..	..	..	..	40,00,00,000	
	<b>2. Reserves and Reserve Fund</b>											
14,47,20,000	(i) Reserve Fund	..	..	..	..	..	..	..	..	..	16,75,66,000	
	(ii) Other Reserves	..	..	..	..	..	..	..	..	..		
61,59,609	(a) Investment Reserve	..	..	..	..	..	..	..	..	..	61,72,747	
	<b>3. Gifts, Grants, Donations and Benefactions</b>											
—	(i) From Government	..	..	..	..	..	..	..	..	..	—	
—	(ii) From other sources	..	..	..	..	..	..	..	..	..	—	
	<b>4. Bonds and Debentures</b>											
—	5½% Bonds, 1984 (1st Series)	..	..	..	..	..	..	..	..	..	12,65,00,000	
	<b>5. Deposits</b>											
	<b>6. Borrowings</b>											
	(i) From Reserve Bank of India											
—	(a) Secured against stocks, funds and other trustee securities	..	..	..	..	..	..	..	..	..	—	
—	(b) Secured against bills of exchange or promissory notes	..	..	..	..	..	..	..	..	..	—	
55,04,21,044	(c) Out of the National Industrial Credit (Long Term Operations) Fund	..	..	..	..	..	..	..	..	..	92,82,33,544	
	(ii) From Government of India											
10,00,00,000	(a) Interest-free loan	..	..	..	..	..	..	..	..	..	10,00,00,000	
1,36,69,18,156	(b) Other loans	..	..	..	..	..	..	..	..	..	1,32,09,25,495	
—	(iii) From other sources	..	..	..	..	..	..	..	..	..	—	
—	(iv) In foreign currency	..	..	..	..	..	..	..	..	..	—	
7,49,34,176	<b>7. Current Liabilities and Provisions</b>	..	..	..	..	..	..	..	..	..	2,34,91,59,039	11,66,96,001
	<b>8. Profit and Loss Account</b>											
3,40,25,353	Balance of Profit transferred from the account annexed	..	..	..	..	..	..	..	..	..	3,59,71,168	
2,46,50,000	Less : Transferred to Reserve Fund	..	..	..	..	..	..	..	..	..	2,28,46,000	
93,75,353	Less : Balance transferable to Reserve Bank of India in terms of Section 22(2) of the Industrial Development Bank of India Act, 1964	..	..	..	..	..	..	..	..	..	1,31,25,168	
2,54,31,52,985											3,16,60,93,787	

## Contingent Liabilities

4,45,060	(i) Claims against the Bank not acknowledged as debts	..	4,45,060
33,95,63,933	(ii) On account of guarantees issued**	..	71,18,12,353
2,37,98,000	(iii) On account of under-writing commitments	..	9,51,21,000
4,33,83,040	(iv) On account of uncalled moneys on partly-paid shares, debentures etc.	..	3,86,56,020
	(v) Moneys for which the Bank is contingently liable	..	—
40,71,90,033			84,60,34,433

\*\*Including liability agreed to be borne by participating Financial Institutions Rs.19,69,27,683.

As per our report attached.  
K.S. AIYAR & CO.  
Chartered Accountants,

Bombay, 18th August, 1972.



## BANK OF INDIA

30th JUNE 1972

## GENERAL FUND

Previous Year		ASSETS		This Year	
Rs.				Rs.	Rs.
	<b>1. Cash and Bank Balances</b>				
20,34,321	(i) Cash in hand and balances with Reserve Bank of India .. .. .			1,35,12,042	
	(ii) Balances with other banks				
5,186	(a) On current account .. .. .			6,061	
—	(d) On deposit account .. .. .			—	
					1,35,18,103
	<b>2. Investments@</b>				
4,46,51,949	(i) In securities of Central and State Governments .. .. .			7,98,28,664	
27,85,04,044	(ii) In stocks, shares, bonds and debentures of financial institutions ..			31,27,51,544	
14,44,24,137	(iii) In stocks, shares, bonds and debentures of industrial concerns* ..			16,18,36,884	
					55,44,17,092
	<b>3. Loans and Advances</b>				
78,32,24,913	(i) To scheduled banks, State Co-operative banks and other financial institutions .. .. .			85,27,39,961	
66,94,33,400	(ii) To industrial concerns .. .. .			78,72,11,298	
					1,64,99,51,259
58,79,91,682	<b>4. Bills of Exchange and Promissory Notes Discounted or Rediscounted .. ..</b>				85,59,44,288
	<b>5. Premises</b>				
—	(At cost less depreciation) .. .. .			—	
	<b>6. Other Fixed Assets</b>				
6,38,363	(At cost less depreciation) .. .. .				9,27,063
3,22,44,990	<b>7. Other Assets@@ .. .. .</b>				10,13,35,982
	<b>8. Profit and loss Account</b>				
—	Balance from last balance sheet .. .. .				
—	Profit/Loss transferred from the account annexed				
<b>2,54,31,52,985</b>					<b>3,16,60,93,787</b>

	Book Value	Market Value
	Rs.	Rs.
@ (a) Quoted investments .. .. .	19,65,37,506	24,05,71,068
(b) Unquoted investments .. .. .	35,78,79,586	—
	55,44,17,092	24,05,71,068
	Rs.	Rs.
* Acquired in discharge of underwriting obligations	14,46,74,704	
Acquired by way of 'Rights Shares' and Direct Subscriptions .. .. .	1,71,62,180	
		16,18,36,884
Accrued income .. .. .	3,81,94,110	
Application moneys on investments .. .. .	1,89,15,125	
Others (Including cheques on hand Rs. 4,28,58,942—Last year Nil) .. .. .	4,42,26,747	
		10,13,35,982

BY ORDER OF THE BOARD

V. V. BHATT,  
General Manager.S. JAGANNATHAN, *Chairman.*  
V. V. CHARI, *Vice-Chairman.*  
BHASKAR MITTER, *Director.*  
J. RAMDAVE ROW, *Director.*

Bombay, 18th August 1972.

**INDUSTRIAL DEVELOPMENT  
PROFIT AND LOSS ACCOUNT FOR THE**

Previous Year	EXPENDITURE	This Year
Rs.		Rs.
8,59,47,656	1. Interest paid on Deposits, Borrowings etc. .. .. .	11,10,58,442
72,28,326	2. Establishment expenses .. .. .	87,01,035
33,837	3. Directors' and Executive Committee Members' fees and expenses .. .. .	34,989
9,000	4. Auditors' fees .. .. .	10,000
12,75,824	5. Rent, Taxes, Insurance, Lighting etc.* .. .. .	23,41,252
2,16,942	6. Law charges .. .. .	2,16,838
28,147	7. Postage, Telegrams and Stamps .. .. .	50,506
1,49,449	8. Stationery, Printing, Advertisement etc. .. .. .	1,19,536
40,586	9. Depreciation .. .. .	90,923
—	10. Net loss on sale of investments (not debited to reserves or any particular fund or account) .. .. .	—
4,27,667	11. Other Expenditure .. .. .	7,25,213
3,40,25,353	12. Balance of Profit carried to Balance Sheet .. .. .	3,59,71,168
12,93,82,787		15,93,91,922

\*Inclusive of stamp duty of Rs. 7,59,000 on Bonds (Last year—nil).

As per our report attached.  
K. S. AIYAR & CO.  
Chartered Accountants.

Bombay, 18th August 1972.

**REPORT OF THE AUDITORS**

We have audited the attached Balance Sheet of the Industrial Development Bank of India as at 30th June 1972 as also the Profit and Loss Account of the Bank for the year ended on that date and report that:

- (1) We have not verified the Bills of Exchange rediscounted as also the documents in respect of refinance assistance lying with the Regional Offices at New Delhi, Calcutta and Madras but have accepted the certificates of the Regional Managers in this behalf;
- (2) Subject to the above :
  - (a) We have obtained all the information and explanations which we have required for the purposes of our audit and the same have been satisfactory;
  - (b) In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet is a full and fair Balance Sheet and is properly drawn up containing all the necessary particulars so as to exhibit a true and fair view of the state of affairs of the Bank as at 30th June 1972 and is properly drawn up in accordance with the requirements of Regulation 14 of the Industrial Development Bank of India Regulations, 1964.

K. S. AIYAR & CO.  
Chartered Accountants.

Bombay, 18th August 1972.

**INDUSTRIAL DEVELOPMENT  
BALANCE SHEET AS AT**

Previous Year	LIABILITIES	This Year
Rs.		Rs.
26,39,77,167	1. Loans .. .. .	
—	(i) From Government .. .. .	24,41,52,868
—	(ii) From other sources .. .. .	—
—		24,41,52,868
—	2. Gifts, Grants, Donations and Benefactions .. .. .	
—	(i) From Government .. .. .	—
—	(ii) From other sources .. .. .	—
4,77,370	3. Other Liabilities and Provisions .. .. .	4,59,790
2,16,22,842	4. Profit and Loss Account .. .. .	
97,75,547	Balance from last Balance Sheet .. .. .	3,13,98,389
—	Profit transferred from the account annexed .. .. .	86,69,928
—		4,00,68,317
29,58,52,926		28,46,80,975

**Contingent Liabilities**

—	(i) Claims against the Bank not acknowledged as debts .. .. .	—
—	(ii) On account of guarantees issued .. .. .	—
—	(iii) On account of underwriting commitments .. .. .	1,00,00,000
—	(iv) On account of uncalled moneys on partly-paid shares, debentures etc. .. .. .	—
—	(v) Moneys for which the Bank is contingently liable .. .. .	—
—		1,00,00,000

As per our report attached.  
K. S. AIYAR & CO.  
Chartered Accountants.

Bombay, 18th August 1972.

## BANK OF INDIA

YEAR ENDED 30th JUNE 1972

GENERAL FUND

INCOME		
Previous Year	(Less provision made during the year for bad and doubtful debts and other necessary and expedient provisions)	This Year
Rs.		Rs.
10,86,08,407	1. Interest and Discount .. .. .	13,27,51,156
1,68,80,369	2. Income from Investments .. .. .	2,19,28,244
29,67,031	3. Commission, Brokerage etc. .. .. .	39,92,731
—	4. Net profit on sale of investments (not credited to reserves or any particular fund or account)	12,210
9,26,980	5. Other Income† .. .. .	7,07,581
—	6. Balance of Loss carried to Balance Sheet .. .. .	—
12,93,82,787		15,93,91,922

†Including Rs. 4,59,750 received from the Development Assistance Fund towards expenditure on administration and application of the Fund.

BY ORDER OF THE BOARD

S. JAGANNATHAN, *Chairman.*V. V. CHARI, *Vice-Chairman.*BHASKAR MITTER, *Director.*J. RAMDAVE ROW, *Director.*

V. V. BHATT,

*General Manager.*

Bombay, 18th August, 1972.

## BANK OF INDIA

30th JUNE 1972

DEVELOPMENT ASSISTANCE FUND

Previous Year	ASSETS	This Year	
Rs.		Rs.	Rs.
1,818	1. Cash and Bank Balances		
—	(i) Cash in hand and balances with Reserve Bank of India .. .. .	614	—
—	(ii) Balance with other banks	—	—
—	(a) On current account .. .. .	—	—
—	(b) On deposit account .. .. .	—	—
4,18,04,684	2. Investments@		614
1,79,55,310	(i) In securities of Central and State Governments .. .. .	5,61,40,885	—
—	(ii) In stocks, shares, bonds and debentures of industrial concerns* .. .. .	1,79,55,310	—
22,72,50,000	3. Loans and Advances .. .. .	—	7,40,96,195
88,41,114	4. Other Assets .. .. .	—	19,97,50,000
—	5. Profit and Loss Account	—	1,08,34,166
—	Balance from last balance sheet .. .. .	—	—
—	Profit/Loss transferred from the account annexed .. .. .	—	—
29,58,52,926			28,46,80,975
		Book Value	Market Value
		Rs.	Rs.
	@(a) Quoted investments .. .. .	7,40,96,195	10,77,26,686
	(b) Unquoted investments .. .. .	—	—
		7,40,96,195	10,77,26,686

\*Acquired in discharge of underwriting obligations.

BY ORDER OF THE BOARD

V. V. BHATT,

*General Manager.*S. JAGANNATHAN, *Chairman.*V.V. CHARI, *Vice-Chairman.*BHASKAR MITTER, *Director.*J. RAMDAVE ROW, *Director.*

Bombay, 18th August 1972.

**INDUSTRIAL DEVELOPMENT**  
**PROFIT AND LOSS ACCOUNT FOR THE**

<i>Previous Year</i>	<b>EXPENDITURE</b>	<i>This Year</i>
<i>Rs.</i>		<i>Rs.</i>
1,50,41,602	1. Interest paid on Borrowings] .. .. .	1,45,18,326
4,77,250	2. Establishment expenses †† .. .. .	4,59,750
—	3. Auditors' fees .. .. .	—
—	4. Rent, Taxes, Insurance, Lighting etc. .. .. .	—
76	5. Law charges .. .. .	—
—	6. Postage, Telegrams and Stamps .. .. .	—
—	7. Stationery, Printing, Advertisement etc. .. .. .	—
—	8. Net loss on sale of investments (not debited to reserves or any particular fund or account) .. .. .	—
—	9. Other Expenditure .. .. .	—
1,97,75,547	10. Balance of Profit carried to Balance Sheet .. .. .	86,69,928
2,52,94,399		2,36,48,004

††Representing reimbursement to General Fund towards expenditure on administration and application of the Fund.

As per our report attached.

K. S. AIYAR & CO.

Chartered Accountants.

Bombay, 18th August 1972.

**REPORT OF THE AUDITORS**

We have audited the attached Balance Sheet of the Development Assistance Fund of the Industrial Development Bank of India as at 30th June 1972 and also the Profit and Loss Account of the Fund for the year ended on that date and report as follows :

- (1) We have obtained all the information and explanations which we have required for the purposes of our audit and the same have been satisfactory ;
- (2) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet is a full and fair Balance Sheet and is properly drawn up containing all the necessary particulars so as to exhibit a true and fair view of the state of affairs of the Fund as at 30th June 1972 and is also properly drawn up in accordance with the requirements of Regulation 14 of the Industrial Development Bank of India Regulations, 1964.

K. S. AIYAR & CO.

Chartered Accountants.

Bombay, 18th August 1972.

## BANK OF INDIA

YEAR ENDED 30th JUNE 1972

DEVELOPMENT ASSISTANCE FUND

INCOME		
Previous Year	(Loss provision made during the year for bad and doubtful debts and other necessary and expedient provisions)	This Year
Rs.		Rs.
1,87,26,575	1. Interest .. .. .	1,68,88,279
57,57,468	2. Income from Investments .. .. .	67,09,708
—	3. Commission, Brokerage etc. .. .. .	—
8,10,356	4. Net profit on sale of investments (not credited to reserves or any particular fund or account) ..	50,017
—	5. Other Income .. .. .	—
—	6. Balance of loss carried to Balance Sheet .. .. .	—
2,52,94,399		2,36,48,004

BY ORDER OF THE BOARD

V. V. BHATT,  
General Manager.  
Bombay, 18th August 1972.

S. JAGANNATHAN, *Chairman.*  
V. V. CHARI, *Vice-Chairman.*  
BHASKAR MITTER, *Director.*  
J. RAMDAVE ROW, *Director.*

(As on June 30, 1972)

PRINCIPAL OFFICERS

*General Manager*

V. V. BHATT

*Joint General Manager*

B. N. MALHOTRA

*Deputy General Managers*

M. N. KALE

Y. S. KEDARE

N. K. SEAL

A. N. VIJ

*Secretary*

S. KRISHNAMURTHY

*Deputy Legal Adviser*

S. A. NAIK

*Managers*

S. ANANTHANARAYANAN

O. P. BERRY

S. M. CHITNIS

D. M. DIXIT (Madras Regional Office)

T. N. GIDWANI

S. GOPALAN

D. P. GUPTA

P. C. JAIN (Kanpur Branch Office)

N. D. JOSHI

S. H. KHAN

S. D. KHOSLA

I. J. LAUL (New Delhi Regional Office)

S. M. PALIA

C. S. PANI (Hyderabad Branch Office)

M. S. PARIKH (Calcutta Regional Office)

B. PRASAD

M. R. B. PUNJA

V. S. RAGHAVAN

S. RAJENDRAN

N. G. SEN

C. R. SEN GUPTA (Calcutta Regional Office)

N. V. SITARAM

D. C. WADHWA

## ADDRESSES OF THE HEAD/REGIONAL/BRANCH OFFICES

## Head Office

## INDUSTRIAL DEVELOPMENT BANK OF INDIA

New India Centre,  
17, Cooperage,  
Post Box No. 1241,  
Bombay-1.

Telegrams : "INDBANKIND"

Regional Offices	Address	Branch Offices	Address
<b>CALCUTTA</b>	Reserve Bank Building 15, Netaji Subhas Road Post Bag No. 45 Calcutta-1 (West Bengal)	<b>COCHIN</b>	Shema Building Mahatma Gandhi Road Ernakulam Cochin-16 (Kerala)
<b>MADRAS</b>	'Kuralagam' Building Esplanade Post Bag No. 5030 Madras-1 (Tamil Nadu)	<b>GAUHATI</b>	Shaikh Building Pan Bazar Gauhati-1 (Assam)
<b>NEW DELHI</b>	Bank of Baroda Building 16, Parliament Street Post Box No. 231 New Delhi-1	<b>HYDERABAD</b>	Andhra Pradesh State Co-operative Bank Building Troop Bazar Hyderabad-1 (Andhra Pradesh)
		<b>JAMMU</b>	15C Block Extension Gandhi Nagar Jammu-4 (Jammu & Kashmir)
<b>Branch Offices</b>			
<b>BANGALORE</b>	Reserve Bank Annex Building 10/3/8, Nrupathunga Road Bangalore-2 (Mysore)	<b>KANPUR</b>	Reserve Bank of India New Building Mahatma Gandhi Road Kanpur (Uttar Pradesh)
<b>BHOPAL</b>	40, New Market T.T. Nagar Bhad Bhada Road Bhopal 3 (Madhya Pradesh)	<b>PATNA</b>	Reserve Bank of India Building South of Gandhi Maidan P. Bag No. 162 Patna-1 (Bihar)
<b>CHANDIGARH</b>	'Jeevan Deep' Building Sector 17A P. Bag No. 2 Chandigarh-17	<b>*BHUBANESWAR</b>	State Archives Building Bhubaneswar (Orissa)

\*Started functioning from 1st July 1972.

## INDUSTRIAL POTENTIAL SURVEYS OF BACKWARD STATES/UNION TERRITORIES

The IDBI in collaboration with the IFCI, ICICI, RBI, etc. has carried out industrial potential surveys of various backward States/Union Territories in the country. Reports of these surveys, which are prepared by Teams comprising officials of these institutions, examine the prospects for industrial opportunities in these backward areas and identify certain specific projects which can be implemented in the next few years. Each of these reports would be available for sale at a price of Rs. 5 per copy (postage extra). Reports on Assam, Bihar, Tripura, Arunachal Pradesh (NEFA) and Jammu & Kashmir have so far been published while the reports on Rajasthan, Manipur, Orissa, Nagaland, Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Andhra Pradesh, Pondicherry and Goa, Daman & Diu and Dadra & Nagar Haveli are under print or are under preparation. Copies of these reports would be available from either the Manager (Administration), IDBI, New India Centre, 17 Cooperage, Bombay-1 or from the IDBI's concerned Regional/Branch Office at Patna, Gauhati, Jammu, Bhubaneswar, Bhopal, Chandigarh, Kanpur, Madras and Hyderabad.

